



Daily Report

LAST ISSUE

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LAST ISSUE

East Asia

FBIS-EAS-96-161

Monday

19 August 1996

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Daily Report

East Asia

FBIS-EAS-96-161

CONTENTS

19 August 1996

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Japan: DA Chief Asks Yamanashi To Accept U.S. Live-Fire Drills [KYODO]	1
Japan: Yamanashi Rejects Use of Range for U.S. Live-Fire Drills [KYODO]	1
Japan: Official Denies Report Ota To Sign Land Lease Papers [KYODO]	1
Japan: Okinawa Government 'Flexible' on Helipad Plan [NIHON KEIZAI SHIMBUN 17 Aug]	2
Japan: No Law Planned on Forced Lease of U.S. Bases [KYODO]	2
Japan: Tokyo To Reject 'Severe' U.S. Insurance Market Proposal [ASAHI SHIMBUN 18 Aug]	3
Japan: Fujifilm Statement on U.S. Call for WTO Panels [Fujifilm WWW]	3
Japan: JICA To Cooperate in SRV High-Tech Industrial Project [NIHON KEIZAI SHIMBUN 16 Aug]	4
Japan: MITI To Improve Foreign Firms' Access to Japanese Market [NIHON KEIZAI SHIMBUN 18 Aug]	4
Japan: Germany's Kohl, France's Chirac Said To Visit Tokyo [KYODO]	4
Japan: Ikeda, Acting Hong Kong Governor Expected To Meet 28 Aug [KYODO]	5
Japan: Ikeda Hopes for Continued Stability in Hong Kong [KYODO]	5
Japan: Government To Aid Nuclear Radiation Victims in Kazakhstan [NIHON KEIZAI SHIMBUN 14 Aug]	5
Japan: Sharp Plans ASIC Production Project in Malaysia [KYODO]	5
Japan: Hashimoto Visit 'Likely' To Delay Release of Businessman [KYODO]	6
Japan: Insider Describes Conditions in North Korea [CHUO KORON May]	6
Japan: Government To Refocus Loans to China [KYODO]	17
Japan: Government Plans Disposal of WWII Chemical Weapons in PRC [ASAHI SHIMBUN 16 Aug]	18
Japan: 'Secret' Plan for Emperor To Visit Seoul Detailed [SANKEI SHIMBUN 16 Aug]	18
Japan: Nonlife Insurers Agree on Joint Venture in Vietnam [KYODO]	19
Japan: Hashimoto Seeks UN Backing From Latin American Countries [KYODO]	19
Japan Plans To Seek Private Fishing Accord With Taiwan [NIHON KEIZAI SHIMBUN 18 Aug]	20
Japan: Aerospace Agency Successfully Concludes Tests in Australia [MAINICHI SHIMBUN 16 Aug]	20
Japan: H-2 Rocket Carrying Satellite Successfully Launched [KYODO]	21
Japan: H-2 Rocket Releases Earth-Observing, Radio Satellites [KYODO]	21
Japan: BOJ Reports Key Money Supply Rise of 3.7 Percent [KYODO]	22
Japan: Budget Deficit Prompts Tokyo To Review ODA Program [KYODO]	22
Japan: Advanced Repayments of Housing Loans Tripled in FY '95 [KYODO]	22
Japan: 'News Focus' Views Fall in Current Account Surplus [KYODO]	23
Japan: Drop in Land Values Likely To Trigger More Loan Losses [KYODO]	24
Japan: Ministry on Mail Volume Rising as Economy Picks Up [KYODO]	24
Japan: SDP Head Murayama Interviewed on New Liberal Party Concept [SANKEI SHIMBUN 15 Aug]	25
Japan: New Labor Union Formed in Objection to Okinawa Referendum [OKINAWA TIMES 16 Aug]	26
Japan: Hashimoto Directs CSAO Chief To Submit Monthly Report [ASAHI SHIMBUN 17 Aug]	26
Japan: Greater Disaster Relief, Peacekeeping Role Weighed for SDF [KYODO]	27

Japan: Hashimoto Instructs LDP To Plan Nursing Care Insurance System [KYODO]	27
Mongolia	
Mongolia: Extraordinary Session of Parliament Opened 19 Aug [ITAR-TASS]	28
North Korea	
DPRK: U.S., ROK Condemned for 'Ulchi Focus Lens' Exercises [KCNA]	28
DPRK: Clash Between ROK Police, Hanchongnyon Reported [KCNA]	28
DPRK: ROK 'Suppression' of Pro-Reunification Students Decried [KCNA]	28
DPRK: Turkish Party Presents Gift for Kim Chong-il [KCNA]	29
DPRK: Kim Chong-il Sends Wreath to SPA Deputy's Bier [KCNA]	29
DPRK: Kim Chong-il Sends Birthday Message to Jiang Zemin [Pyongyang Radio]	29
DPRK: Essay Views People's Faith in Kim Chong-il [Pyongyang Radio]	30
DPRK Article Assures Victory Under Kim Chong-il's Leadership [NODONG SINMUN 3 Jun]	32
DPRK: 'Talk' Lauds 'People-Oriented' Regime of DPRK [Pyongyang Radio]	38
DPRK: Leader Hailed as Center of Unity [Pyongyang Radio]	39
South Korea	
ROK Daily Views Dole's Stance on Issues of Concern to Seoul [HANGUK ILBO 17 Aug]	41
ROK: Novelist Kim Ha-ki Returns to Seoul, Faces Questioning [YONHAP]	41
ROK Prosecution Plans To Request Arrest Warrant for Novelist [Seoul Radio]	42
ROK: Novelist Arrested for Violating National Security Law [YONHAP]	42
ROK: DPRK Issues Guide Book for Investing in Najin-Sonbong Area [CHOSON ILBO 12 Aug]	42
ROK: Russian Weekly on Kim Il-song's, Kim Chong-il's Women [Seoul Radio]	43
ROK: Inter-Korean Linguists Agree on Use of Hangul in Computers [YONHAP]	43
ROK: Yeltsin Sends Congratulatory Message for Liberation Day [YONHAP]	43
ROK: PRC Autopsy Fails To Reveal Cause of Kia Employee Death [Seoul Radio]	44
ROK President Briefed on Demonstrations, Other Issues [YONHAP]	44
ROK: Police Mount Another Raid on Yonsei Campus 17 Aug [YONHAP]	44
ROK Prosecution Examines Whether Hanchongnyon Benefits Enemy [YONHAP]	44
ROK Official: Hanchongnyon Controlled by Radical Forces [YONHAP]	45
ROK Premier Urges Demonstrators To Disperse, Vows Leniency [YONHAP]	45
ROK Police 'Will Use Firearms' Against Violent Demonstrators [YONHAP]	46
ROK: Hanchongnyon Dismisses Premier's Call, Vows To Fight On [YONHAP]	46
ROK Editorial Blames Trade Deficit on Fall in Competitiveness [The Digital Chosun Ilbo WWW]	46
ROK: New Health, Welfare Minister Discusses Policies [MAEIL KYONGJE SINMUN 9 Aug]	47
ROK Editorial Cites Problems in Vice Ministerial Appointments [The Digital Chosun Ilbo WWW]	48
SOUTHEAST ASIA	
Burma	
Burma: SLORC's Than Shwe, Party Return from Malaysia Visit [Rangoon Radio]	49
Burma: Than Shwe, Wife Review Visit to Malaysia [Rangoon International]	49
Burma: Interview With NLD Vice Chairman Tin U [BurmaNet News]	50
Burma: Public Support for Military Government Noted [MYANMAR ALIN 16 Aug]	52
Burma: Drug Lord Khun Sa's Son Resists Rangoon's Search Order [THAILAND TIMES 18 Aug]	53
Brunei, Malaysia & Singapore	
Malaysia	
Malaysia: Turkey's Erbakan Visit Activities Reported [Ankara TV]	54

Malaysia: Mahathir Holds Talks With Turkey's Erbakan [Kuala Lumpur International]	55
Malaysia: Kuala Lumpur Agrees To Buy Turkish Weapons [THE STAR 19 Aug]	56
Malaysia: Commentator Defends 'Constructive Engagement' With Burma [THE STAR 27 Aug]	56
Malaysia: Daily Supports Burma's Entry Into ASEAN [BERITA HARIAN 16 Aug]	57
Malaysia: India Urged To Reconsider Decision To Block CTBT [THE STAR 17 Aug]	58
Malaysia: Mahathir Views Prospects of Merger With Singapore [Kuala Lumpur TV]	58
Malaysia: Malay Party Plans To Disband Itself To Rejoin UMNO [Kuala Lumpur TV]	59
Malaysia: Two More Ex-Members of Outlawed Islamic Sect Detained [SUNDAY STAR 18 Aug]	59
Malaysia: Bakun Hydroelectric Project Could Save on Energy Costs [BERITA HARIAN 12 Jul]	59

Cambodia

Cambodia: 'Rift' Between Leaders on Future of Khmer Rouge Defectors [AFP]	60
Cambodia: Paper Discusses Ranariddh-Hun Sen Rift [PHNOM PENH POST 9-22 Aug]	61
Cambodia: Declaration by Khmer Rouge Defectors [Phnom Penh Radio]	62
Cambodia: Khmer Rouge Defectors' Election Demand Rejected [Phnom Penh Radio]	64
Cambodia: Government Expands Cabinet, Issues Roster [Radio PGNUNS]	64
Cambodia: NADK Spokesman Denies Allegations of Surrender [Radio PGNUNS]	64
Cambodia: Khmer Rouge Says Ieng Sary 'Desperately' Ill [Radio PGNUNS]	65
Cambodia: Khieu Samphan Announces New, Expanded PGNUNS [Radio PGNUNS]	65

Indonesia

Indonesia: Authorities Said To Have Arrested Foreign Journalists [Rotterdam ALGEMEEN DAGBLAD 16 Aug]	67
Indonesia: Suharto Delivers Independence Day Speech [Jakarta TV]	67
Indonesia: Military Vows To End Kidnapping; 2 Hostages Escape [KOMPAS 18 Aug]	75
Indonesia: MP Urges 'Quick Action' to Irian Jaya Hostage-Taking [KOMPAS 19 Aug]	75
Indonesia: Court Rejects Trade Unionist's Subversion Appeal [AFP]	76
Indonesia: Officer Vows To Investigate 'Whoever' Involved in Riots [KOMPAS 19 Aug]	76
Indonesia: TEMPO Interviews PDI Economist [10 Aug]	76

Laos

Laos: Seminar on Preparations for ASEAN Membership Held [KPL]	78
Laos: Border Conference Held With Vietnamese Commission [KPL]	79
Laos: Vietnamese Education Delegation Arrives for Visit [KPL]	79
Laos: Community Awareness on Unexploded Bombs Stressed [VIENTIANE TIMES 9-15 Aug]	80

Philippines

Philippines: APEC Call for International Food Standards Backed [BUSINESS WORLD 19 Aug]	81
Philippines: SmartCard Visa for APEC Traders Effective in Nov [MANILA BULLETIN 19 Aug]	81
Philippines: Sultan of Brunei on Manila-MNLF Peace Process [Quezon City Radio-TV]	81

Thailand

Thailand: Chat Thai 'Controversial Figures' Set To Enter Cabinet [THE NATION 17 Aug]	82
Thailand: Banhan Warned About Reappointing Controversial Figures [THE NATION 17 Aug]	83
Thailand: Banhan's Activities Risk Causing Major Mass Rally [BANGKOK POST 18 Aug]	84
Thailand: Phalang Thai Leader Thaksin Warns Banhan Government [BANGKOK POST 18 Aug]	84
Thailand: Chat Phatthana Leader To Steer Clear of Coalition [BANGKOK POST 15 Aug]	85
Thailand: Thoe Thai Faction Urges Banhan's Resignation [THAILAND TIMES 19 Aug]	86
Thailand: Premier Urged To Resign To Save Country 'Some Grace' [BANGKOK POST 19 Aug]	87
Thailand: Politicians Comment on Current Political Situation [Bangkok Radio]	87

Thailand: Banhan Government Shaken 'to the Core' [BANGKOK POST (PERSPECTIVE Supplement) 18 Aug]	88
Thailand: CFD: Government Ouster Likely Unless Reforms Implemented [BANGKOK POST 19 Aug]	89

Vietnam

SRV: Army Paper Criticizes U.S. 'D'Amato Bill' [QUAN DOI NHAN DAN 8 Aug]	90
SRV: Party General Secretary Receives Australian Deputy PM [VNA]	91
SRV: Deputy Prime Minister Receives Australian Deputy PM [VNA]	91
SRV: Visiting Australian Trade Minister Holds News Conference [Hanoi Radio]	92
SRV: Industrial Complex Projects Proposed by Japan's Sumitomo [Hanoi Radio]	92
SRV: Cambodian Prime Ministers Receive SRV Assembly Delegation [VNA]	93
SRV Foreign Minister in Talks With Singaporean Counterpart [VNA]	93
SRV: Vo Van Kiet Receives Visiting Singaporean Foreign Minister [VNA]	94
SRV: Relations With Indonesia Reviewed on Anniversary of Ties [Hanoi Radio]	94
SRV: NHAN DAN Marks Aug Revolution Anniversary [Hanoi Radio]	95
SRV: Thanh Hoa River Embankment Bursts [VNA]	97
SRV: Damage Caused by Cyclone to Provinces Updated [Hanoi International]	97
SRV: Lai Chau Floods Kill 12 Persons, Destroy Hundreds of Houses [Hanoi Radio]	97

AUSTRALASIA

Australia

Australia's Downer: No Decision Made on Uranium Sale to Taiwan [THE SYDNEY MORNING HERALD 17 Aug]	98
Australia: Howard Lauds Vietnam Vets, Notes Improved Ties With Hanoi [Australian Broadcasting Corporation Online WWW]	98
Australia: Editorial Views 'Potentials' of Canberra Commission [THE SYDNEY MORNING HERALD 17 Aug]	99

New Zealand

New Zealand: Comments on Burma Issue at ARF in Jakarta [THE PRESS 15 Aug]	99
---------------------------------------------------------------------------	----

Papua New Guinea

Papua New Guinea: Commander Denies Use of Phosphorous Bombs [THE SYDNEY MORNING HERALD 16 Aug]	101
------------------------------------------------------------------------------------------------	-----

Japan

Japan: DA Chief Asks Yamanashi To Accept U.S. Live-Fire Drills

OW1908022296 Tokyo KYODO in English
0052 GMT 19 Aug 96

[FBIS Transcribed Text] Kofu, Japan, Aug. 19 KYODO — Defense Agency [DA] chief Hideo Usui asked Yamanashi Gov. Ken Amano on Monday to accept a proposal that a local Ground Self-Defense Force (GSDF) firing range be used as one of five alternative sites for U.S. live-fire drills in Okinawa.

Usui made the request in a meeting with Amano at the Yamanashi prefectural government building, as he began a series of visits to five prefectures in a bid to persuade them to accept the planned relocation of the firing drills, officials said.

All the five proposed localities have expressed opposition to the shift.

The Japan-U.S. joint committee decided in a special meeting Aug. 12 to shift live-fire drills from Camp Hansen in Japan's southernmost prefecture of Okinawa to five GSDF facilities, with the drills not to exceed 35 days a year in all.

The five prospective sites are the Yausubetsu range in Hokkaido, the Ojojihara range in Miyagi Prefecture, the Kitafuji range in Yamanashi Prefecture, the Higashifuji range in Shizuoka Prefecture and the Hijudai range in Oita Prefecture.

The current drills in Okinawa involve firing live shells over a section of Okinawa prefectural Highway 104 which has to be closed during the exercises.

About 75 percent of all Japanese land for U.S. military use is located in Okinawa, which accounts for only 0.6 percent of Japan's total land area. The proposed shift of the artillery drills is part of a plan to lighten Okinawa's burden regarding U.S. Military bases.

Usui will visit the four other prefectures by next Monday.

Japan: Yamanashi Rejects Use of Range for U.S. Live-Fire Drills

OW1908032096 Tokyo KYODO in English
1117 GMT 19 Aug 96

[FBIS Transcribed Text] Kofu, Japan, Aug. 19 KYODO — Yamanashi Gov. Ken Amano refused a request by Defense Agency chief Hideo Usui on Monday to accept a proposal that a local Ground Self-Defense Force (GSDF) firing range be used as one of five alternative sites for U.S. artillery drills in Okinawa Prefecture.

In a meeting at the Yamanashi prefectural government building, Usui asked Amano to accept the proposal "in order to reduce the burden of Okinawa," the local government's officials said.

Amano said, however, that the local Kitafuji range has been the site of military drills similar to those conducted in Okinawa, and that the prefecture cannot accept further drills at the range, the officials said.

Usui visited the governor on the first of a series of visits to five prefectures in a bid to persuade them to accept the planned relocation of the live-fire drills. Four other prefectures have also expressed opposition to the shift.

The Japan-U.S. joint committee decided in a special meeting Aug. 12 to shift live-fire artillery drills from Camp Hansen in Japan's southernmost prefecture of Okinawa to five GSDF facilities, with the drills not to exceed 35 days a year in all.

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Usui will visit the four other prefectures by next Monday to urge them to accept the proposed shift.

After the meeting with Amano, Usui told reporters it is indispensable to obtain the understanding of the localities before implementing the shift of the U.S. artillery drills.

The central government will continue to seek understanding of the localities, Usui said.

Japan: Official Denies Report Ota To Sign Land Lease Papers

OW1608143296 Tokyo KYODO in English
1418 GMT 16 Aug 96

[FBIS Transcribed Text] Naha, Japan, Aug. 16 KYODO — Okinawa's Vice Gov. Masanori Yoshimoto on Friday denied a press report that Gov. Masahide Ota will take procedures needed for the forced leasing of land inside U.S. military facilities if he loses a court battle over the signing of related documents.

"It's an issue on a different level," Yoshimoto told reporters.

"It's an issue on which the governor will make a decision from a comprehensive viewpoint," Yoshimoto said, citing a local referendum on Sept. 8 over whether to support a cut in the U.S. military presence in Okinawa and central government policy on the island.

The YOMIURI SHIMBUN reported in its Friday evening editions that Ota will sign documents needed for the forced leasing of land inside U.S. facilities on the southwestern Japanese island and take other administrative procedures necessary if he is ordered by the supreme court to sign such documents.

In the top court case, Ota has appealed a ruling by a high court ordering him to sign the documents in question. The supreme court is slated to hand down its ruling on Aug. 28.

Ota also faces two other legal battles with the central government over the leasing of land owned by Okinawan residents to the U.S. military, including a suit filed by Prime Minister Ryutaro Hashimoto on Friday.

In the latest case, Hashimoto is seeking a court order requiring Ota to take administrative steps as proxy of the mayors of nine municipalities to renew compulsory leases on land inside 11 U.S. military facilities in Okinawa as the leases expire next May.

In the third case, Hashimoto seeks a court order urging Ota to comply with a request that he make public papers detailing a government request for the expropriation of a plot of land within a U.S. Navy communications facility.

The lease on the 236-square-meter plot owned by local grocer Shoichi Chibana expired at the end of March, but the government has continued to use the plot for the U.S. Navy facility with no clear legal basis.

Okinawa, about 1,600 kilometers southwest of Tokyo, is home to about 75 percent of U.S. military facilities in Japan, although it accounts for less than 1 percent of Japan's total land.

Resentment among Okinawan people against the U.S. military presence has grown since the rape of a 12-year-old schoolgirl by three U.S. servicemen last September.

Japan: Okinawa Government 'Flexible' on Helipad Plan

OW1808010796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Aug 96 Morning Edition p 1

[FBIS Translated Text] Okinawa Vice Governor Masanori Yoshimoto granted an interview to NIHON KEIZAI SHIMBUN on 16 August and commented on the issue of Kadena Air Base's being considered

a possible site for constructing helipads to replace those at the U.S. Marine Corps Air Station [MCAS] Futenma. Yoshimoto indicated the Okinawa Prefectural Government is taking a flexible stance on the issue, saying: "We would like to respond in a manner different from how we have been doing so far." Zenshun Arakaki, chairman of the Okinawa chapter of the Social Democratic Party [SDP], also indicated the party would accept the transfer of MCAS Futenma's functions to Kadena Air Base. The local chapter of the SDP is the largest of the ruling coalition parties in the Okinawa Prefectural Assembly. Although the Japanese and U.S. Governments are currently making arrangements for the transfer of Futenma helipads to Kadena Air Base, U.S. officials have shown reluctance, citing problems of safety and air traffic control.

So far, the Okinawa Prefectural Government has opposed the conditional return of MCAS Futenma, pointing out that "there is strong opposition from authorities and residents of the proposed relocation sites" (as stated by Okinawa Governor Masahide Ota). Yoshimoto hinted at the possibility of the Okinawa Prefectural Government changing its attitude, saying: "We do not intend to handle the issue with an all-or-nothing attitude."

Arakaki indicated his party would accept the continuation of military base functions, including the transfer of Futenma helipads to Kadena Air Base, saying: "If the United States agrees to move helipads to Kadena Air Base, the Japanese and U.S. Governments will probably proceed with that relocation plan. The local chapter of the SDP, for its part, will oppose the plan, but that will not prevent the administration from making its own decision. Besides, there is no other solution."

However, the United States has expressed disapproval of the plan to integrate the helipads into Kadena Air Base, and on top of that, relevant municipalities have also expressed strong opposition to the plan. Thus, even if the Okinawa Prefectural Government were to change its policy, rough sailing would still be expected in making necessary arrangements to settle the issue.

Japan: No Law Planned on Forced Lease of U.S. Bases

OW1908060396 Tokyo KYODO in English 0538 GMT 19 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — Prime Minister Ryutaro Hashimoto and Koichi Kato, secretary general of the Liberal Democratic Party (LDP), agreed Monday they will not consider making a special law to force the rental of land to U.S. military bases, LDP officials said.

Instead, the two agreed the central government and the LDP-led ruling coalition parties should jointly engage in Okinawa development plans in an effort to persuade Okinawa Gov. Masahide Ota to take procedures necessary for forced rental of land to U.S. bases, the officials said.

Ahead of the Supreme Court's ruling scheduled Aug. 28 on a battle between the national government and Ota over procedures about land leases to U.S. bases in Okinawa, Kato will visit the southernmost island prefecture Saturday and meet with Ota.

Kato told Hashimoto that the ruling coalition parties — the LDP, the Social Democratic Party and New Party Sakigake — should fall in step with one another to cope with the U.S. bases issue, the officials said.

Kato said he would listen to Ota's demands for establishing free trade areas and a reduction in air fares to and from the prefecture, which will possibly become part of Okinawa development measures.

But Kato said a special law on the forced rental of land to U.S. bases will not be discussed.

Hashimoto approved of Kato's stance toward his meeting with Ota, and asked him to sort out problems related to this issue, including other court battles over compulsory leases on privately owned land inside Kadena Air Base and other U.S. military facilities in Okinawa Prefecture, they said.

Japan: Tokyo To Reject 'Severe' U.S. Insurance Market Proposal

OW1908024696 Tokyo ASAHI SHIMBUN
in Japanese 18 Aug 96 Morning Edition p 9

[FBIS Translated Text] Japan-U.S. insurance talks have stalled because of the wide differences between the two countries. According to industry officials, in the talks the United States proposed five-year delay in allowing Japanese life insurance companies' subsidiaries to sell casualty insurance products. The Finance Ministry is expected to turn down this severe offer.

During the talks, Japan presented a compromise plan to limit the handling of casualty insurance products by Japanese firms through their subsidiaries to protect the interests of U.S. nonlife insurers. Meanwhile, the United States demanded that Japanese firms be barred from handling casualty insurance products until the end of 1998, and that their entry into the casualty insurance sector be restricted for three years from 1999.

Japan also proposed that insurance firms be allowed to leave a premium rates assessing bureau, which sets premiums for nonlife products such as casualty

insurance, and to freely set premiums. However, the United States called for banning the withdrawal from the bureau and demanded that Japanese firms at least adopt a casualty insurance premium set by the bureau. It is believed that the U.S. call is aimed at protecting the interests of U.S. nonlife companies, which have benefited from Japan's uniform premium system.

Japan: Fujifilm Statement on U.S. Call for WTO Panels

OW1908063896 (Internet) Fujifilm WWW in English
13 Aug 96

[From the "What's New" link]

[FBIS Transcribed Text]

Fujifilm's Comments on USTR Call for WTO Dispute Settlement Panels

The United States Trade Representative (USTR) on August 12 (U.S. time) requested the World Trade Organization (WTO) to establish dispute settlement panels to address the allegations about the Japanese photographic film and paper market.

For more than a year on various occasions, Fujifilm has asserted that this case should be judged under a third party in order for impartial fact examination which is based upon a neutral, non-political perspective. Accordingly, discussions based on WTO procedure would be in line with Fujifilm's consistent assertions. The Company has high expectations for objective discussions that are based on fact.

When the panels meet, Fujifilm will offer its fullest cooperation to the Japanese government in the interests of a clear and universally accepted conclusion that the Japanese photographic market is open and competitive.

Fujifilm believes that such a conclusion will encourage Kodak to abandon its dependence on political pressure in favor of fair competition based on a marketing effort that enables it to fulfill its competitive potential in Japan.

Contact: Ken Sugiyama/ Corporate Public Relations Office

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Japan: JICA To Cooperate in SRV High-Tech Industrial Project

OW1708234596 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 16 Aug 96 Evening Edition p 3

[Article by Fumitaka Murata]

[FBIS Translated Text] Hanoi, 16 Aug — A plan is afoot to build a Vietnamese version of Silicon Valley. The Japan International Cooperation Agency (JICA) concluded an agreement with the Science, Technology and Environment Ministry of Vietnam to cooperate in working out a master plan for building a "Hanoi High-Tech Park" near Hanoi. The plan is aimed at building such semiconductor-related facilities as an industrial complex, research centers, and industrial laboratories with estimated completion in the year 2020.

According to the Vietnamese plan, the area where the park is scheduled to be built is located in Hatai [as published] Province, 30 kilometers west of Hanoi. The total investment cost will surpass \$1 billion, and the construction will start as early as the latter half of 1998. As the first phase, a 800-hectare part of the park is scheduled to be completed by 2005. The ministry says that "we want to make the park Vietnam's Silicon Valley" by putting together semiconductor-related industries as well as industries related to information, new materials, and biotechnology.

JICA plans to conduct research for about one year beginning next February, investing over 200 million yen in research. With the Vietnamese Government's intentions in mind, JICA intends to work out a master plan in the first half of 1998. The Japanese Government for its part intends to back up the plan by extending yen-based loans for the purpose of nurturing high-tech industries.

The Vietnamese Government plans to relocate the University of Hanoi, Hanoi Institute of Technology, and other universities located in Hanoi City to the town adjacent to the park so that the town will be college town. At the same time, a residential town for those related to the park will be developed.

Since it was decided at the Communist Party convention in June to make efforts to become an industrial nation by 2020 and modernize the nation, the Vietnamese Government is expected to set the plan as a national project which serves as the pillar of Vietnam's long-term development strategy.

Japan: MITI To Improve Foreign Firms' Access to Japanese Market

OW1808162896 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 18 Aug 96 Morning Edition p 3

[FBIS Translated Text] "Why no more exports to Japan?" — The Ministry of International Trade and Industry [MITI] will expand "the project to improve foreign companies' access to the Japanese market." In its project, MITI plans to remedy the cause of foreign firms' refusal to export to Japan in efforts to make it easier for them to gain access to the Japanese market. Moreover, the arrangements will be completed to positively handle individual complaints from foreign companies, beginning next fiscal year. Also, the detailed information of complaints and results of investigations will be provided via Internet.

This improvement project was started by the Japan External Trade Organization (JETRO) starting this fiscal year. JETRO has selected five subjects about which foreign firms are full of complaints, including housing and medical appliances, and investigated the actual conditions on deregulations and commercial customs. And after hearing confirmation and evaluation of the study panel that consists of men of learning and experience inside and outside of the country, it has submitted reports on the points at issue.

In addition to the items selected by JETRO, MITI will conduct investigations into the actual state of individual complaints from foreign firms, starting next fiscal year. And results of the investigations will be directly communicated to companies that made complaints, as well as mentioned on the JETRO homepage at any time. It will also call on the concerned government offices to improve their measures.

It is not easy for foreign firms to conduct detailed investigations into Japan's deregulations and commercial customs. Therefore, by having JETRO handle it for them, MITI aims at setting up the system reflecting complaints from foreign companies against the administration. It will seek about Y300 million in its budget request guideline for the next fiscal year, which is twice as much as that of this fiscal year.

Japan: Germany's Kohl, France's Chirac Said To Visit Tokyo

OW1708030796 Tokyo KYODO in English
0244 GMT 17 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 17 KYODO — German Chancellor Helmut Kohl will arrive in Tokyo on Oct. 31 on a four-day official visit for talks with

NORTHEAST ASIA

Prime Minister Ryutaro Hashimoto, government sources said Saturday.

The two leaders are expected to exchange views on ways of strengthening bilateral cooperation and on international topics such as reform of the United Nations, the sources said.

Both Germany and Japan are seeking to win permanent membership in the UN Security Council.

Kohl's visit is part of Japan's efforts to build closer ties with the European Union. French President Jacques Chirac is also scheduled to visit Tokyo in November.

Japan: Ikeda, Acting Hong Kong Governor Expected To Meet 28 Aug

OW1408102196 Tokyo KYODO in English
0940 GMT 14 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 14 KYODO — Foreign Minister Yukihiko Ikeda will meet with acting Hong Kong Gov. Anson Chan in the British colony Aug. 28 on his way home from a trip to the Middle East, a Foreign Ministry official said Wednesday.

Ikeda and Chan, who is chief secretary of Hong Kong's Executive Council, will compare notes on Hong Kong's reversion to Chinese rule set for July 1, 1997, the official said.

Chan is serving as acting Hong Kong governor while Gov. Chris Patten is on vacation.

Ikeda is likely to stress the need for Hong Kong to be integrated into China smoothly and its free economic system to be maintained for the future, the official said.

He is scheduled to leave Tuesday [21 August] on a tour of Egypt, Syria, Jordan and Israel. He will return to Japan on Aug. 29.

Japan: Ikeda Hopes for Continued Stability in Hong Kong

OW1908040696 Tokyo KYODO in English
0258 GMT 19 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — Foreign Minister Yukihiko Ikeda expressed hope Monday that Hong Kong will continue to play an important role as a trade and financial center in the Asian region, ministry officials said.

In his meeting with David H. Lan, principal representative in Tokyo of the Hong Kong Economic and Trade Office, Ikeda was quoted as saying, "Whether Hong Kong will be able to remain stable and continue to enjoy prosperity is a major matter of concern for Japan," the officials said.

Lan hailed Ikeda's scheduled visit to the B Aug. 28, they said. They quoted Ikeda as hoping to exchange views with acting Governor Anson Chan on issues related to Hong Kong to Chinese sovereignty next J

Japan: Government To Aid Nuclear Ra Victims in Kazakhstan

OW1708003196 Tokyo NIHON KEIZAI S
in Japanese 14 Aug 96 Evening Edition J

[FBIS Translated Text] The government | Kazakhstan fight radiation resulting from ing conducted by the former Soviet Union palatinsk site, one of the defunct nation's l testing grounds. The assistance, the first c aid package of its kind extended to a for will include a survey on the effects of radia clear tests on residents in Semipalatinsk, i of the latest medical equipment for treatin

Negotiations on the Comprehensive Tes (CTBT) have stalled, though they are no stage. In such a situation, Japan, the only t an atomic bomb dropped on it, hopes to i need to abolish nuclear testing through Kazakhstan.

The aid package will involve victims poisoning in Semipalatinsk, a city of se thousand located 800 km north of Alma of Kazakhstan. About 500 nuclear tests w at the site in the city until it closed in A is feared that the nuclear testing has affect of residents living near the site.

As the first step, the Foreign Ministry | cedures to provide medical institutions u diction of the Kazakh Health Ministry | (called ESR) to measure residual radiat bodies. Kazakhstan is expected to soon se list of medical equipment and medicines examining and treating victims of radiat After receiving the list, the Japanese Go start preparations for sending the latest i ment, including a magnetic resonance i instrument. The aid program is expected 500-600 million yen for the time being.

Japan: Sharp Plans ASIC Production Malaysia

OW1808020996 Tokyo KYODO in Engl
0108 GMT 18 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. — Sharp Corp. has reached a basic a

the government of Sarawak in Malaysia to produce application-specific integrated circuits (ASICs) in the state capital of Kuching from late 1998, a business daily reported Sunday.

Total cost for the semiconductor manufacturing project is estimated at 3 billion ringgits (about 1.21 billion U.S. dollars), of which 15 percent will be covered by Sharp, the *NIHON KEIZAI SHIMBUN* said in a dispatch from Kuala Lumpur.

U.S. and European companies will also participate in the project in a joint venture to be set up with paid-up capital of 100 million ringgits, the paper said.

ASICs are microchips that can be customized to carry out specific functions. They are resistant to wild fluctuations in market prices for computer chips.

The state government has acquired a 230-acre plot of land in Kuching to construct an ASIC-manufacturing factory that will have output capacity of 24,000 8-inch wafers a month, it said. The process at the factory will be limited to etching ICs [integrated circuits] onto wafers.

The Malaysian Government plans to throw support behind the Sarawak State-led project by granting a 10-year corporate tax exemption to those that join it, the paper said.

Sarawak in Kalimantan Island is the largest state in Malaysia with abundant natural resources such as gas and lumber.

Japan: Hashimoto Visit 'Likely' To Delay Release of Businessman

*OW1908091996 Tokyo KYODO in English
0901 GMT 19 Aug 96*

[FBIS Transcribed Text] Tijuana, Mexico, Aug. 18 KYODO — Little progress can be expected in releasing kidnapped Japanese business executive Mamoru Konno until the media attention cools down, sources close to Mexican police said Sunday [18 August].

One of the sources, who is experienced in dealing with kidnappings, said the media spotlight is likely to prolong the ordeal.

Konno, 56, president of Sanyo Video Components (U.S.A.) Corp., a subsidiary of Sanyo Electric Co., was not released by the Saturday midnight deadline for receipt of a 2 million dollar ransom demanded by his abductors, according to a Japanese diplomatic source in Mexico.

"The release of the company president is (the company's) highest concern," the source said.

Japanese Prime Minister Ryutaro Hashimoto is expected to visit Mexico from Tuesday through Thursday. "We hope a release occurs before that time," a Japanese diplomat said.

Mexican investigators say that in cases involving the kidnappings of noted people, some are resolved within a week while others take months or even a year to resolve after ransom has been paid.

Konno was kidnaped by armed assailants Aug. 10 after attending a recreational baseball game in the border city of Tijuana.

Japan: Insider Describes Conditions in North Korea *962B0096A Tokyo CHUO KORON in Japanese May 96 pp 92-108*

[Article by Sadao Murakami, former managing director of the Japanese-North Korean Trade Council: "Forty Years of Japanese-North Korean Trade Relations: Unknown Episodes Told by Insider"]

[FBIS Translated Text]

No Early Collapse of North Korea Expected

I have been involved with North Korea for a long time since 1956. During that time, I visited the country almost every year from 1960 to 1979. As I usually stayed there for half a year on each of my earlier visits, I lived in Pyongyang for more than seven years in total. I saw the "real North Korea," and had many kinds of experiences.

Recently, a possible "collapse of North Korea" is being talked about and reported too often. Even diplomats are talking about "flood damages and food shortages" as well as "the military's opposition against food aides." To be sure, unlike any other country, North Korea has been "without a president" for three years, adding fresh fuel to the controversy over the possible "collapse." Some people are even predicting that "refugees will come ashore by raft." A common view among the Japanese is that North Korea "will eventually collapse."

However, North Korea is our neighbor. I do not think it right to talk about a possible "structural collapse" as if it were somebody else's problem.

If North Korea "collapses," Japan will not be able to ignore it. It will inevitably be faced with necessary countermeasures, because such a collapse will greatly affect security and economies in East Asia.

I do not believe North Korea will collapse easily. I think it high time to understand the nation first.

I am not a worshiper of North Korea. I am a realist who has been closely observing the country's "good and bad points." I am also a Japanese who worked hard as a person in charge of collecting North Korea's unpaid trade bills. I also believe that improvement of Japanese-North Korean relations is essential for peace and stabilization in northeast Asia.

In any event, I believe that North Korea will have to carry out economic reform and liberalization. Liberalization was a dying wish of the late Kim Il-song, who promoted improvement of relations with the United States.

Although a great leader, the late Kim Il-song was not able to achieve good results in building up the economy. His successor, Kim Chong-il, inherited "negative" consequences. It is not possible to expect such spectacular development that China's reform and liberalization policies have achieved. The reality is that North Korea will have to repeat the process of trials and errors so as to make progress by learning from failures.

To me, who spent many years living in North Korea and negotiating with the Korean people, it was difficult to understand the points of arguments in Japan with regard to North Korea after the death of President Kim Il-song. Many specialists predicted that power struggles would develop within North Korea, leading immediately to chaos. They made wrong predictions repeatedly: A war would break out toward the end of 1994, or U.S.-North Korean nuclear talks would break down.

These kinds of arguments and opinions are devoid of compassion toward the people living in North Korea, having no sympathy toward their sufferings. Such can be attributable to generation gaps. Having mulled over this, I began to think it necessary to sum up my own experience.

In July last year, President Kim Il-song of the Democratic People's Republic of Korea (North Korea) passed away. His funeral and ceremonial services were reported on TV and other news media in Japan. I found many familiar faces in these news. Those politicians who worked hard to improve the postwar relationship between Japan and North Korea had already died. At present, therefore, only a very limited number of people have firsthand knowledge of the history of our trade and economic relations. I was involved in the trade between Japan and North Korea for 40 years, and continued to observe the Japanese-North Korean relations. Probably, I was involved in Japan's relations with North Korea for the longest period of time among the Japanese. I am also the only Japanese who had a tour of an underground munitions factory.

There are many North Koreans I know of who disappeared over the last 40 years. Some were purged. At the same time, there are also some high-ranking officials who have climbed up in status by being close associates of Secretary Kim Chong-il. My old acquaintances whom I spotted during the TV broadcast of President Kim Il-song's funeral service wore severe expressions on their faces, showing the fact that they had lived through the turbulent history and political struggles. I myself have become 74 years old. So, I began to think it necessary at this time to tell a part of the untold history of Japanese-North Korean relations.

Unforgettable Associates of Secretary Kim Chong-il

I met President Kim Il-song twice. In both occasions, I accompanied a group of Diet members who were visiting North Korea. President Kim was a great conversationalist, and had a personal magnetism to attract the attention of those he met. He was always full of smiles. He responded even to difficult questions with a smile, and when he was confronted with an opposing viewpoint, he did not make any hurried counterattack on the spot. Toward the end of such an interview, he explained his viewpoint as if he just remembered it. He had a perfect understanding of the way to generate trust and good human relations instantly with people by putting them on a pedestal.

Although President Kim Il-song wielded enormous authority, Vice Presidents Pak Song-chol and Kang Yang-uk spoke up freely during an interview. I still remember Vice President Pak Song-chol smoking a cigarette nonchalantly right in front of President Kim.

The mass media in Japan paid no attention to a man who was standing very close to Secretary Kim Chong-il. Rather, they focused their attention on Secretary Kim Chong-sun, who is well known in Japan. But it was that man who was more influential than Secretary Kim Chong-sun; as a man in charge of public peace and order, he was holding the structure under Kim Chong-il together.

His name is Kye Ung-tae. Reportedly, he is a member of the Politburo, and is in charge of the Division for Public Peace and Order. I met him twice or so in the 1960's, and those meetings are still unforgettable to me. He was extremely uncooperative toward the Japanese, never bending his stance. He seemed to be a born party bureaucrat and nationalist. Good or bad, as long as he is in charge of public peace and order, the system will not collapse easily.

When I met him, Mr. Kye Ung-tae was an assistant manager of the Trade Division (or Ministry)—the official title is equivalent to a vice minister in Japan. I still

remember vividly the negotiations I had with Politburo member Kye Ung-tae.

What started all this was a proposal from the North Korean side to the Japanese-North Korean Trade Council, requesting the latter to hold "an exhibition of Japanese products in Pyongyang." It was not a well-known fact at that time that trade had begun between Japan and North Korea. Therefore, we were worried if there were any manufacturers and trading companies that would participate in such an exhibition.

We contacted manufacturers that might be interested in showing their products at the exhibition, and consulted also with trading companies to decide systematically on such details as the place for the exhibition and transportation methods. We began making plans with an aim in mind to cosponsor the exhibition with the "International Trade Promotion Council of Japan," which had experience in organizing such exhibitions.

For manufacturers and trading companies, the biggest concern was whether the North Korean side would purchase all the products to be exhibited. If these companies had to bring back their unsold products, they would incur big losses from expenses alone. They raised their concerns: "In an exhibition in China, we had to bring back our products that were not sold. We cannot repeat that"; and "We have no idea about the situation and security in North Korea." A condition proposed by the manufacturers' side was as follows: "If we bring back our products, they will be considered as used products. So, we would like the North Korean side to buy them all."

For the exhibitions held in China and the Soviet Union, no promise was made by these countries to "purchase" all the products exhibited. Even in the case of an exhibition held in China, although the "wish for all products to be purchased" was communicated, no promise was made in advance to "purchase all the products" exhibited. Yet, "as the exhibition was requested by the North Korean side, we must ask them to make a promise to purchase all the products." So we made this proposal to the North Korean side.

During consultation for the exhibition in 1964, the North Korean side accepted the condition to "purchase all the products to be exhibited." This was made possible as a result of an aggressive drive by the "International Trade Promotion Council of North Korea." The people involved in trade in North Korea at that time were extremely kind; they did not appear to have any anti-Japanese sentiment. Secretary General O Pyhong-uk of the International Trade Promotion Council was always willing to cooperate in solving business-related problems. Also, Director Nam Chung-hwa of the External

Economic Affairs Bureau always readied himself for consultation, saying, "If there are any problems, please feel free to let me know. If I cannot solve them by myself, the party will." They were truly capable and respectable Korean people. Until that time, I never felt the "anti-Japanese sentiment," which is often cited by the Japanese people who have visited North Korea.

Also, these North Korean people talked honestly about problems relating to North Korean policies and structure at that time, speaking of criticisms exactly as what they were. However, this kind of behavior could have been thought of as internally problematic. An unexpected incident occurred.

Seventy manufacturers and 20 trading companies participated in the exhibition held in May 1965, and about 360 product items arrived in Pyongyang. Right before the opening of the exhibition, Trade Vice Minister Kye Ung-tae suddenly requested to "cancel the exhibition." It was more like a notification than a request. According to Vice Minister Kye Ung-tae, there had been some problem during entry inspection at the customs office.

One of the staff members of the Japanese-North Korean Trade Council was carrying a wooden doll as a gift to someone working on trade-related matters for the North Korean side. He brought that "kokeshi" doll to reciprocate for a gift he had received for his wedding from his friend in the North Korean side. He had written on a small piece of paper, "May the friendship between Japan and North Korea be handed down to our posterity," and inserted it in a hole at the neck of the doll. An officer at the customs asked him if the neck of the doll could be detached for inspection. Reportedly, the staff member of the Trade Council replied, no. However, when the officer twisted the neck of the doll with force, it was detached, and a piece of paper came out from inside.

Vice Minister Kye Ung-tae considered this as some kind of a serious espionage case. He said, "This is a grave problem. I must cancel the exhibition." He did not accept the Japanese side's explanations that the incident was trivial, and that there was no malicious intent. In North Korea, once this kind of a notice is issued, nothing can be done to change it. As it is almost impossible for us to get in touch with high-ranking officials and agencies, the only thing we can do is to wait for their decisions.

So, we decided to wait patiently at the hotel, thinking about an ending of the trade and improvement of relations between Japan and North Korea for the foreseeable future. About four days later, Vice Minister Kye Ung-tae came to visit us, and said, "Foreign Trade Minister Yi Chu-yon asked me to let you open the exhibition."

Without a smile, as usual, he had a rigid expression, showing no emotion. He looked like a typical Communist party member in the Soviet Union depicted in U.S. movies. Vice Minister Kye Ung-tae never smiled when he met Japanese people. He seemed to show openly his "hatred toward Japanese."

On the following day, we were back to preparing for the exhibition. During those four preceding days, however, a surprising event had happened: All the members of the International Trade Promotion Council of North Korea and those in charge of the Trade Affairs Bureau had been replaced. Even Secretary O Pyong-uk and General Director Nam Chun-hwa disappeared from the scene. Those who had been promoting the exhibition were purged literally overnight. When I asked some insider privately as to their whereabouts, he simply said, "I don't know."

What had really happened then was totally beyond my imagination. In retrospect, I understand that there was a power struggle in North Korea at that time to create a structure under the leadership of Kim Il-song. That was the time when the sympathizers for China and the Soviet Union were purged one after another. I imagine that the members of the International Trade Promotion Council also became victims in this power struggle. Vice Minister Kye Ung-tae was in his early 40's as I was at that time and was not even a candidate for the central committee. In a few years, however, he became the trade minister, a member of the central committee, and a candidate for the Politburo—he was climbing up the ladder of success very quickly.

Of course, that was also a difficult period of time for North Korea. As a result of the Cuban crisis, North Korea began to entertain the idea that the Soviet Union was not reliable. The Chinese-North Korean relations were deteriorating, and the Seven-Year Economic Plan was not working well. Politburo member Kye Ung-tae lived through this era of changes and subsequent internal struggles. I, on the other hand, never had another chance to see those people involved in trade who had been purged by him.

The exhibition of Japanese products was a big success, and according to the promise, the North Korean side purchased all of the products exhibited. As the products were mainly of machinery, such as machine tools, they were all necessary items for North Korea. The total amount of this purchase was more than 2 billion yen [Y], quite a significant business deal at that time. As another exhibition of Japanese-made products was held two years later, North Korea seemed to consider such a deal attractive.

Part of the reason why Vice Minister Kye Ung-tae behaved in a way he did might be his vengeance against me. In fact, a few years prior to this, I had a fight with the vice minister. I was in Pyongyang at that time, and received a message from a Japanese trading company, saying that the company was in dismay, because the loading of some corn on to a ship had not been carried out according to the contract. The Japanese trading company reported that its trading partner in North Korea, Kumgang Trading, was refusing to load the corn onto a ship, saying, "We incurred a loss," because the international price of corn had gone down.

Thinking that it was a usual kind of trouble, I had a meeting with Kumgang Trading. I explained that "as the price of corn is determined by the market, price fluctuations are inevitable." But, the company simply repeated that it had incurred a loss. As I was not making any progress there, I asked if I could see the company's president. A week passed, and I did not hear from the company. To make the matter worse, Secretary O Pyong-uk, a sensible man, of the International Trade Promotion Council was away on a business trip. Even my guide did not come to see me. I was finally able to see the president of Kumgang Trading, but the president simply repeated that his company had incurred a loss. No progress.

Then, I said I wanted to see the trade minister, although I did not think he would see me. It was like a harassment; it was an endurance contest. Here, I was at a disadvantage, because if the trade minister refused to see me, there would be no progress in the negotiation. Thinking that "this might fail," I felt discouraged. But, I continued to send strongly-worded telegrams to Tokyo, saying, "We should not make any concessions." As I thought that the North Korean side was monitoring my telegrams, my wording got stronger and stronger. Eventually, the director of the Second Bureau of the Trade Ministry granted my request for a meeting. He was usually sensible and understanding, but this time, he did not even say, "I will see to it."

After a while, I was able to have a meeting with Vice Minister Kye Ung-tae. With a poker face, he said, "Our side incurred a loss." When I heard this, I wondered "if that is his tactic." Throughout about two hours of discussion, I pressed my point by saying, "If you see the fluctuation of market prices as a loss, we will not be able to do business with you." He said, "Then, I would like to decide when the ship should come in." I immediately thought that it meant cancellation in effect. So, I said, "Let our staff work on the details," and ended the meeting. The meeting left a bad aftertaste on both of us. Therefore, I interpreted the recent incident as his revenge for this.

The Beginning of Japanese-North Korean Trade

It was Prime Minister Ichiro Hatoyama who opened the door to trade between Japan and North Korea. Toward the end of the year 1954, the Yoshida cabinet resigned, and the Hatoyama cabinet was born. At a press interview at the beginning of the following year 1955, Prime Minister Hatoyama clearly stated: "We are prepared for meetings to restore diplomatic relations with China and the Soviet Union, and to improve our economic relations with North Korea." North Korea responded quickly to this statement. Foreign Minister Nam Il stated his position: "We welcome economic and cultural exchanges with Japan. We would like to have concrete discussions." This series of speeches by the leaders in Japan and North Korea raised the mood for trade between Japan and North Korea. Japanese-North Korean trade had already been in progress, and the industries had high expectations on trade with North Korea. Around that time, Japan was still poor, and it highly regarded socialism. There were hopes and dreams about socialism.

In October 1955, three companies—Toko Bussan, Toho Shokai, and Wako Koeki—signed business contracts with trading companies in North Korea. All this was done with China's International Trade Promotion Council as a go-between. Around that time, Managing Director Minoru Tanabe of the Japanese Soviet Trade Council visited Pyongyang, and signed an "agreement for foreign trade by the private sector" in the amount of more than \$30 million with the North Korean Trade Promotion Council.

Assuming that there would be no problem because of the statement made by Prime Minister Hatoyama, the industry side announced the signing of these contracts and agreement on 23 October. On the following day, however, the government immediately issued a decision made at a meeting of vice ministers, saying that "Because of adverse effects on Japanese-South Korean relations, human and material exchanges with North Korea will be banned." This decision destroyed the dream of direct trade with North Korea. But, the decision made at a meeting of vice ministers is not a law; it has no penalty clause. Taking advantage of this loophole, we decided to continue the trade between Japan and North Korea.

In March of the following year, 1956, the "Japanese-North Korean Trade Council" was established by trading companies and manufacturers in Japan that were looking forward to trade between Japan and North Korea. Soon after, I was invited to join the council. At that time, I was working at the executive office of the Dietmen's League for Trade Promotion and Friendship between Japan and

China. Recommended by a friend of mine, I joined the Japanese-North Korean Trade Council soon after its formation. Trade between Japan and North Korea actually began in September 1957.

Because of the decision made at the meeting of vice ministers, direct trade was not permitted at that time. So, we chose a triangular trade by way of China. It was indirect trade through Dalian, China. In terms of documentation, shipments were sent to China first, and then exported from China to North Korea. In this way, the shipments were considered as for trade with China in form; they did not violate the Japanese Government's "forbidden measure."

When indirect trade began to go smoothly, there occurred a major incident in 1958 that would deteriorate the relationship between Japan and China. It was the "national flag burning incident in Nagasaki"—a young man from a right-wing faction burnt a Chinese flag in Nagasaki. Rather than recognizing this as a "burning of a national flag," the Japanese Government, including Prime Minister Nobusuke Kishi, treated it as "destruction of an object." China strongly protested against this interpretation, issuing a measure to curtail the trade between Japan and China. As a natural consequence, the trade between Japan and North Korea by way of China was also curtailed. This became a life-or-death problem for the trading companies that were specializing in trade between Japan and China as well as for the dummy corporations of big trading companies. The people working for these companies, including the presidents, had no work to do. Even if they protested against the government, they would not be able to change the policy. They were completely at a loss.

On 25 December 1958, when the members of the Japanese-North Korean Trade Council were working around the clock to find a solution, three companies—Toko Bussan, Toho Shokai, and Wako Koeki—received telegrams from Kumgang Trading in North Korea: "Direct trade is desirable, but we want to resume trade by any means possible." The Japanese side was elated, saying that this was a Christmas present.

On 3 February 1959, the Japanese-North Korean Trade Council received a telegram from the International Trade Promotion Council of North Korea: "We support private trade between our two countries." After discussion with the North Korean side, we decided to resume trade by way of Hong Kong. The first shipment arrived in North Korea by way of Hong Kong in June, establishing a triangular trade via Hong Kong. Items exported to North Korea in this first shipment included tires and chemical products. Corn was imported from North Korea.

The trading via Hong Kong continued, but the Japanese Government made its stance clear, saying, "This is not desirable," and demanded to stop the trade several times. However, as it was "trading with Hong Kong" in form, the government was unable to order a stop to it.

But, either via Dalian or via Hong Kong, transportation costs were high, and the burdens on the North Korean side were never insignificant. This method of trade had a large share of transportation cost in the total cost of import. In the case of export, goods were landed in Hong Kong first, and then loaded onto another ship there. Likewise, in the case of import, goods were transshipped in Hong Kong. Accounting for the cost of retaining employees at a representative office as well as the costs of transportation and transshipment, the shipping cost became extremely high. Nevertheless, the North Korean side aggressively pursued the trade between Japan and North Korea.

The reason for this seemed to be the rising tension between North Korea and the Soviet Union. At the 20th Communist Party Convention in the Soviet Union, Khrushchev made a speech to "criticize Stalin." This affected not only North Korea internally, but also the relations between North Korea and the Soviet Union. In North Korea, a movement erupted to criticize Kim Il-sung's structure. Also, North Korea began to see the Soviet Union as revisionist, and engendered a sentiment that "the Soviet Union is not reliable."

An "agreement for North Koreans residing in Japan to return to their home land" was signed between Japan and North Korea in Dacca, India, in 1959. The first homecoming ship left the port in Niigata in December. The Japanese media raved about the socialism in North Korea, and ran big articles on those who were returning home. Then, in 1960, as it is well known, there was a rise in protest against the Japan-U.S. Security Treaty, and the Yi Sung-man administration in South Korea was overthrown by a student revolution.

Direct trade with North Korea was approved in April 1961, three years after the beginning of the trading via Hong Kong. This was made possible due not only to the support from Representative Zentaro Kosaka of the Liberal Democratic Party (LDP), but also to the forceful demands made by several companies, including Daiichi Tsusho (a dummy company of Mitsui & Co.), which arranged ships [to sail directly to North Korea], and stored imported goods at a bonded warehouse in Shibaura, requesting clearance at the customs.

Lived in North Korea for Seven Years

I first entered North Korea in October 1960. My purpose was to conduct trade negotiations with the North Korean

side in the following year. The fiscal year in North Korea is based on the calendar year, from January to December. On the other hand, Japan's fiscal year begins in April. Therefore, if you arrive in Pyongyang in October, you will stay there for almost half a year until April, the following year. I was stationed in North Korea many times over a period of twenty years or so until 1979. In total, I lived in North Korea for seven years.

North Korea in the 1960's did not look particularly poor. As Japan was not so prosperous, either, I did not see much difference in the living conditions. I believe the people's lives [in North Korea] were better up to the first half of the 1960's than today. I used to go to a telegram office late at night every day, and I was greeted kindly, and was allowed to pay my bills in a lump sum later.

On my way to the telegram office was a tent made of vinyl plastic sheets, from which I could hear voices of many people. The tent was illuminated inside, and I could smell Korean barbecues emanating from it. I asked someone what it was, and was told that it was a "beer hall." The place was packed and lively every day. Even around that time, a direct contact between foreigners and citizens was prohibited. There were potted flowering plants on every window sill of apartment buildings. Clothes worn by the citizens were clean and neat, although of not high quality. In town, there were quite a few people drawing pictures, and I was surprised to see some people sketching even in a factory. On Sundays, families gathered at a park for recreation. The city of Pyongyang was surrounded by parks, and along the Taedong River were daily gatherings of old people who enjoyed games of Korean chess. Young people gathered around old people to hear their stories of old times. According to my recollection, the city was peaceful and full of warm feelings.

A "kimchi [Korean pickles] holiday" was held every year. In early November, all means of transportation—trucks, tractors, horse-drawn carriages, and so on—were used to deliver Hakusai cabbages to each district. They said, "We have only a few days before Hakusai cabbages become frozen." In a yard in front of an apartment building, women went all-out to stuff big jars with kimchi. This time of the year was nothing but kimchi. And, these jars were buried underground.

I did not know what kinds of meals the ordinary people were having. Around that time, however, hotel employees brought with them "lunch boxes with white rice." Food shortages were not quite serious until the mid-1960's. The first time I saw some change was when I noticed a decrease in the quantity of Hakusai cabbages transported during a kimchi holiday. I could not find

anyone digging holes to bury jars of kimchi, either. So, I asked, "Aren't you going to bury a jar of kimchi in a hole?" Then, they said, "To save unnecessary labor, a concrete building has been constructed for storing kimchi."

A chef at the hotel said, "Buried in a hole, kimchi gets just the right temperature from the ground, and is tasty. But, kimchi stored in a concrete building doesn't taste very good." I also realized that those hotel employees whom I used to see eating from their "lunch boxes with white rice" were no longer in sight. I used to have meals with lots of different dishes with my guide from breakfast on, but before I knew it, I was alone at each meal time, and the number of dishes on the menu were also reduced.

North Korea has a special system called "guides." A foreigner is always provided with a "guide." The guide acts as an interpreter, and, in a well-meaning sense, he looks after everyday affairs of his client, following everywhere he goes. It is a convenient system, but it is more like a monitoring system. You have no freedom to go out alone from your hotel. You can take a walk only around your hotel building. Some people ask such an obvious question as, "Why am I not allowed to walk around freely?" The answer was always: "It is dangerous for you to be alone," or "You will not be able to find your way back."

Among thirty or forty individuals in a delegation of trading companies from Japan were quite a few people visiting North Korea for the first time, and various kinds of problems ensued. A schedule of business meetings was announced every morning. Some people had business meetings everyday, and some trading companies were not called for meetings for a week. Unbeknownst to me, once a seating arrangement for each dining table was made, it remained the same all the way up to the end.

Meal time was fixed, and menus were there, but an order had to be placed in advance. You could not order on the spot. At the end of your breakfast, you had to order your lunch, and at the dinner time, you had to order your breakfast.

In North Korea, a business meeting is called an "interview." I had a hard time learning the inner-workings of these interviews and getting comfortable with them. According to the North Korean way of conducting an interview, the people who come to an interview have no authority, repeating only what they are told to say by their bosses. Individuals with decisionmaking authority rarely show up.

An "interview" was arranged strictly according to their convenience. We did not have the liberty to call on them. The International Trade Promotion Council and trading companies were located within the Foreign Trade Ministry's building, but we were not allowed to go in there freely. I had more interviews at a hotel than at the Foreign Trade Ministry. I never had a chance to dine with my counterparts in an interview at the hotel. Except for banquets, we never had a meal together for an interview. There seemed to be a strict rule on this. Once I got to know them well, we quickly became friends. But, I could not let them speak truthfully in a room, because there was a chance of being wiretapped. Taking a drive was the best time for an interview. As only executives were allowed to share a ride, it was convenient for getting information.

At an interview, people from the Korean side were always seated with a window or the sun on their back. They could see us clearly, but we could not see them well. So, it was difficult for us to talk. The telephone system was bad, so domestic calls were not put through quickly.

Interviews were notified out of the blue. In several occasions, I was requested to appear right away, or notified of an interview one hour before it started. Nevertheless, I was pleased by the fact that they set aside enough time whenever I was to meet a "division chief," equivalent to a minister. Among the people from trading companies in Japan, some became neurotic when they were not able to have an interview for a week or so. They gradually became impatient, and began to show glaring eyes. My job was to request the North Korean side to arrange for interviews.

I often visited Panmunjom for sightseeing. Although it is about 200 km away from Pyongyang, I was requested to go there by train. Probably because they did not want me to see the countryside and the conditions of farming villages under the daylight, I always had to take a night train. As they had to set up a special train to separate me from general passengers, preparation itself seemed onerous. I also went to Chongjin, but as they attached a "special sleeping car" to a regular train, I could not mingle with general passengers.

North Korean people were restricted from taking domestic trips to a considerable degree, and unless they had special permits from the Social Safety Division, they could not purchase tickets. Many citizens were looking forward to a "60th birthday party." I was told that the relatives from various parts of the country could get together for their family member's "60th birthday party." A permit was required even for leaving the city of Py-

ongyang, and our car was often stopped for inspection by guards.

The History and Cause of Food Shortages

Regarding the Korean Peninsula, it has been said that "the south is for agriculture, and the north for industries." The soil in North Korea is acidic and brown. Even I with no knowledge of agriculture can understand that "brown soil" is not suitable for agriculture. What is more problematic is the "shortage of water for agricultural use." Japan has a climate suitable for agriculture. When planting is over, a mild rainy season starts. It is a perfect climate for growing rice. In North Korea, however, not only the quality of soil is bad, but also it does not rain during a crucial period. There is no mild rainy season; instead, it rains torrentially from late July through early August. A stream with a width of 50 cm to one meter becomes a huge river in a short time.

When it rained for two hours, the promenade along the Taedong River was covered with water. And, if it rained for three hours, the water crept up to the legs of street lights. Because of this torrential rain every year, farming villages suffered damages. I was told that "if rice plants are submerged in water for two hours, they will die."

At the same time, a water shortage was also a serious problem. Although there were no problems at hotels and embassies, a time schedule for water supply was set up for the citizens. Therefore, a major concern was whether it would snow in winter. If it snowed, there would be plenty of water from melting snow in the spring. If it snowed less, people had to worry about a water shortage. Hydroelectric power generation could also be affected. Among the delegates from Japan, there were always some people who had no idea of this situation in North Korea, and greeted people by saying, "A warm winter. Even the weather is cooperating with us." Without compunction or consideration for others, they did not think of a possibility that Japan might be the only country to rejoice in a warm winter. This is also a general tendency in Japan in talking about North Korea.

In a warm winter, it does not snow. Then, it becomes a problem. The colder it is, the more beneficial it is for the farmers. Because, if the weather turns severely cold, and as long as agricultural fields have been dug over, "noxious insects" will die, making it unnecessary to use chemical insecticides. A harsh winter solves both water and agricultural chemical problems. Also, it is not necessary to worry about "a common cold or influenza." When there was a flu epidemic due to a warm winter, passengers at the Pyongyang airport were checked for their body temperature. If they had a fever, they were immediately sent to a hospital.

North Korea does not have a soil and a climate suitable for agriculture. Flood damages occur in some part of the country every year. The year 1967 saw a major flood damage like the one last year. The people working at the hotel told me that houses and logs were being washed down from the upstream to Pyongyang, and that they heard voices crying for "help" throughout the night, but they could not do anything. The city of Pyongyang suffered big damage at that time, so the dikes along the Taedong River were subsequently raised by one meter.

The flood last year was caused by an overflow of water from Amnok River in Sinuiju in the northern province. As the dike on the Chinese side is tall, the Korean side always suffers damages. In the southern province, Shariwo, a rice-producing area, suffered a major damage. But, food shortages are the permanent problem. Some people argue that food shortages will lead to a collapse of the current system, but they have no idea of North Korea. For the people in North Korea, food shortages tend to be considered as an act of God.

However, the cause of agricultural failures lies in the failed agricultural policy.

It is a well-known fact among insiders that North Korea made two mistakes in its agricultural policy in the late 1960's. The first mistake was the adoption of the agricultural method of "close planting" in the late 1960's. The method is to plant rice and other agricultural seedlings close together without much space between them. As the method yielded lots of crops in a short run, it was adopted nationwide.

I once had a journey on an international train from Beijing to Pyongyang. In the corn fields in the northeastern region of China, corn was planted with a wide space between each other, and I could see a distance through the space. But, the corn fields in North Korea were planted tightly, and corn was growing well. So, I said to a businessman from a trading company who was taking the journey with me, "North Korea is more advanced." Then, he said, "If they plant like this, they may be able to increase the amount of crops this year, but they will need twice the amount of water and fertilizer next year. Otherwise, the farmland will be impoverished." This businessman was a graduate of an agricultural high school, the predecessor of the present Utsunomiya University, and was quite knowledgeable of farming. When I came back to Japan, I asked the late Yoichi Fukushima, a specialist, and received the same opinion.

The second mistake was the policy on farming on terraced fields. Most of the land in North Korea is hilly, rather than flat. On this hilly area, they created corn fields. I was told that, in Japan, such strong rooting

plants as "mandarin orange and tea trees" are planted on hilly areas to prevent the ground from sliding. The mountains in North Korea are mostly barren with no trees. The soil is acidic and arid. A torrential rain during the rainy season can quickly wash away the corn plants that have no strong roots. These two policies seem to have caused the decline in agricultural yields.

A fundamental error was that by forsaking land improvement, they took up the "idea of increasing agricultural land" as a basic policy. A country without much flatland has to "develop land through reclamation by drainage." In his New Year's speech in 1981, President Kim Il-song officially announced "development of 300,000 hectares of reclaimed land" and "acquisition of 200,000 hectares of new land." However, there has been no report on expansion of agricultural land.

The food situation in North Korea began to worsen noticeably in the early 1970's. The main source of diet changed from rice to corn. Lunch boxes of the citizens contained mainly corn. The first one to suffer from the food shortage was a Japanese shipping company. At the time when I received a report from the company that longshoremen were not doing their assigned jobs because they were hungry, the situation was still not too serious. The harbor authority initially demanded the ships coming to the port to serve meals, but soon it began to ask for provisions. Complaints began to be reported that, probably because of a lack of cooking oil, a worker had gobbled up a whole can of salad oil.

President Kim Il-song and Unpaid Trade Bills

I had two interviews with President Kim Il-song. On 31 December 1967, my guide came up to me, and reported with a pensive look that "a New Year's greeting from Mr. President has just arrived." I said, "Thank you." But, he did not look like he was carrying a greeting card for me; he just stood there. I quickly realized why he stood there, so I asked him, "Is there anybody waiting for me?" "The chief of protocol is here," said he. As he seemed to be waiting for me to change my clothes, I quickly put on my ceremonial suit.

Seeing that I had changed into a ceremonial suit, my guide walked away. Then, the chief of protocol entered my room. He gave me a New Year's greeting card wrapped in crepe paper on a tray by raising the tray up in humble reverence.

The chief of protocol said, "This is to deliver Mr. President's concern about your having to welcome the New Year away from home." I responded in Korean, "I am honored." Around that time, it was customary to wear a black ceremonial suit for an interview with top officials. So, I brought one from Japan.

In 1972, I received a vase as a gift from President Kim Il-song. For that occasion, I also wore my ceremonial suit to receive the gift.

One night, while I was staying at the Taedong River Hotel, I woke up because I was having difficulty breathing. My room was so steamy that I opened the window in a flurry, and called the hotel maid who was looking after me. A heating pipe was broken, filling the room with steam. When the maid came to my room, she turned pale with shock. She drew a chair up to a wall, and took down a framed photo of President Kim Il-song from the wall. When the glass was removed from the frame, the photo appeared completely damaged from the moisture. The maid cried, murmuring her sorrow in Korean. I became indignant at her ignoring my presence. A few days later, she disappeared. I felt sad, thinking that she might have to take responsibility for not being able to save the photo.

Another incident similar to this happened when a group of delegates from trading companies visited North Korea in 1971. A few days after their arrival, a guide came to me and said, "Someone threw away in a trash box a labor newspaper with Mr. President's photo on it. Please tell the delegates not to do such a thing." He looked as if he were asking me to give this message to all the delegates at breakfast, because I normally announced various messages every morning. However, thinking that I should not make the delegates unduly nervous, I decided not to say anything about this message. Then, the guide began to tell the incident to the delegates as if he himself were the perpetrator, probably because he did not want to cause any trouble for the delegates.

One reporter who accompanied a politician from Japan wrapped his shoes up with a labor newspaper with a photo of President Kim Il-song. He was almost deported. I was also told that a labor newspaper with a photo of President Kim Il-song should not be folded in half.

In November 1971, the Dietmen's League for Friendship between Japan and North Korea was formed. During a recess of the Diet in January 1972, a nonpartisan delegation of dietmen visited North Korea for the first time. Representative Tadaharu Kuno from the LDP led the delegation, and two Diet members from each political party participated. They had an interview with President Kim Il-song on 20 January, and I sat in company with them. I was quite nervous because I knew of various incidents pertaining to a photo of President Kim Il-song. However, the high-ranking officials of President Kim acted quite frankly.

The president's office at that time was not so grand as the current one. It was located near the Soviet Embassy. We were first led to the room of Vice President Pak Song-chol on the third floor of the building. When the leader of the delegation introduced each member, the vice president said in a very frank manner, "Please have full discussions up there." He used the expression, "up there," because President Kim Il-song's executive office was on the fourth floor. But, I was surprised to know that he was referring to President Kim Il-song in this way. We took an elevator to the fourth floor. There, President Kim Il-song shook our hands with a smile on his face. Then, souvenir photographs were taken immediately with all the members.

The photo session was over in a short time, and we all entered a conference room. In front of each chair was a small table with paper and pencils. I wondered where I should sit, but I decided to take a chair directly in front of the president.

After Delegation Leader Kuno introduced each member, the president showed appreciation for our being there at first by saying, "I thank you for coming from a great distance. Have you been inconvenienced in any way?" He did not spare kind words, and his voice was deep and full of resonance. Distancing himself from the [Japanese] government's position, Leader Kuno said, "Taking advantage of this opportunity, we would like to build our friendship and normalize the bilateral relationship as soon as possible."

Probably because of the nonpartisan status of the delegation, President Kim Il-song did not criticize the government or the LDP. He said, "As Japan is our neighbor, I would definitely like to maintain a friendly relationship." Then, he spoke of the basic tenet of his foreign policy: "My country is currently having lively economic exchanges with such Western nations as Germany and the United Kingdom, and is also making progress in normalizing diplomatic relations with various countries in Africa. My first priority is to strengthen the solidarity with other socialist nations." The Japanese side asked him a pointed question: "The Japanese Government is taking a policy of hostility toward North Korea. What do you think of this?" The president replied calmly without changing his countenance: "My country abides by the basic policy of good neighborly relations. I have nothing particular to say to Japan, but I think it needs to change its policy of hostility." He knew well how to handle diplomatic issues and how to answer such questions. He certainly exhibited the image of a man who had survived numerous scenes of bloodshed.

As I sat right in front of him, I observed his facial expressions and his interpreter, and thought that "he can understand the Japanese language quite well." He sometimes corrected the words used by the interpreter.

Altogether he did not make us feel conscious of the time limit. When tea and coffee were served, he paused and said, "Please help yourself." He knew well how to make his guests relaxed. He had a unique way of talking that created a warm atmosphere, making his guests feel at ease. To my surprise, tea came with lemon slices, which were not served even at the hotel, and coffee was not instant—it was real coffee.

As I had witnessed many incidents relating to a photo of President Kim Il-song and the "act of loyalty" toward him at the hotel, I listened in a curious state of mind to the president's talks. So, I was surprised when I saw Vice President Pak Son-chol speaking up freely and without any tension in what he wanted to say. I thought, therefore, that President Kim Il-song and his high ranking officials were normally engaged in conversations in quite a free spirited way. Vice President Kang Yang-uk, an uncle of President Kim Il-song, also attended the meeting. Pointing at the vice president, the president said, "This man is originally a Christian [Presbyterian] minister, not a member of the Communist party. So, he doesn't listen very much to what I have to say." This made everybody laugh. Vice President Kang did not show any high-handedness in his appearance and behavior; he looked anything but a fighter.

Currently North Korea is still being held together by this generation of old people. There is nothing to fear for these people who have lived through the same period with President Kim Il-song and fought against Japan for independence. They speak up straightforwardly, and have experience from the past. They must be saying what they want to say to Secretary Kim Chong-il as they did to President Kim Il-song. I think they are basically conservative people. Therefore, they may not be able to understand new ways of thinking in economics. Probably because these old people know the administrative affairs of the past, Secretary Kim Chong-il still retains many of them as high-ranking officials of the government.

Mr. Tokuma Utsunomiya visited North Korea in July 1975. At that time, the Japanese side was having a problem of delayed payments for trade by North Korea. Trade receivables of about Y80 billion for such exports as cement plants had not been collected, and a repayment schedule was totally uncertain. The Japanese-North Korean Trade Council and trading companies had negotiations with the North Korean International Trade Promotion Council, the North Korean External

Economic Affairs Committee, and the North Korean Trade Bank, but they could not resolve the situation. Prior to his visit to North Korea, I had already asked Mr. Utsunomiya to discuss this matter with President Kim Il-song.

In the evening of 28 July in Pyongyang, Mr. Utsunomiya asked me to "come over for a discussion." So, I went to the Moranbong Guest House—a lodging facility for national guests like Mr. Utsunomiya—on the bank of the Taedong River.

Guards were standing at the entrance to the guest house. Mr. Utsunomiya was waiting for me in the reception room. He said, "I will have an interview with President Kim Il-song tomorrow. But, the North Korean side doesn't seem to want me to bring up the issue of unpaid trade bills. What is your opinion?" He seemed to be worrying that the bringing up of the issue would jeopardize my position later. I surmised that he had been requested by the people close to the president not to bring up the issue. I asked him, "Please definitely talk about it." Then, he simply said, "I see."

While we were talking about something else, he suddenly said, "This country is having food shortages." So, I said, "You have been staying at this guest house, and haven't been walking around the town, yet. Why do you know this so well?" Then, he said, "The children have severe looks on their faces. That suggests food shortages, in any country." I was impressed by his keen eye to see through things.

Regarding the issue of unpaid trade bills, the Japanese side was thinking that "the issue has not been resolved, probably because it has not been reported to the president." That was why I hoped that the issue would be resolved as soon as it was communicated to the president. After his interview, Mr. Utsunomiya told me that "according to President Kim, it is a temporary problem stemming from a delay in collection of payments for exports due to a shortage of ships." When I heard this, I thought that "the issue of unpaid trade bills has come up against a wall."

What I thought about most during my stay in Pyongyang for seven years in total was President Kim Il-song's way of governing. President Kim thoroughly learned Stalin's way of reigning with terror and control over the Soviet citizens, and introduced this to North Korea. Another thing he learned as a lesson from the Soviet Union might be that the people in the Soviet Union completely discriminated against North Koreans. I believe that President Kim Il-song himself experienced such discrimination. His insistence on independent diplomacy with China and the Soviet Union was probably his protest against such discrimination. He raised this slo-

gan against discrimination in seeking independence, and used it politically also in fostering nationalism.

A mistake, however, was that he also used this political slogan in economic affairs. The economy does not function like politics.

North Korea's World View

It is still difficult to travel to North Korea from Japan. There is no direct flight. In any event, you must take a route by way of Beijing. When the Chinese-North Korean relations deteriorated, I had to take a route by way of Moscow or through Eastern Europe. All this means that, in terms of international politics, North Korea is like an isolated island on the continent.

To the north are China and the Soviet Union, and South Korea is situated to the south of North Korea. To the west over the sea is China; to sail out, they have to go near the territorial waters of South Korea. To the east is the Sea of Japan; to sail out to the Pacific Ocean, Japan is in their way.

With the aid of a Japanese radio brought into Pyongyang, the capital of North Korea, you can hear Japanese broadcasting programs clearly. Besides, you can also listen to broadcasts from China, Russia, and South Korea. In Kaesong, you can also watch South Korean TV programs.

Of course, the average citizens in North Korea are not allowed to listen to these radio programs. The system restricts spreading of information from abroad among the ordinary citizens. Some people in Japan predict that economic problems and food shortages may lead to riots, causing North Korea to collapse. But, once you live in Pyongyang, you will be able to understand that such would not be the case.

Everyone in North Korea, except infants, belongs to some kind of organization. Laborers and clerical workers belong to the "Workers' Union." Women belong to the "Women's Union." Young men belong to the "Young Men's Union Based on Kim Il-song's Doctrines." Teachers belong to the "Teachers' Union." Children belong to the "Juvenile Group." There are many other organizations. At home, people are required to become members of a citizens' group. Each citizens' group consists of 40 households. From children's problems to problems between husband and wife, there are some members in charge. So, I said to my guide, "Organized like this, you can't even have a quarrel with you wife." He replied: "We try to quarrel in a hushed voice." At any rate, the North Korean people seem to be feeling quite constrained. However, as long as these organizations are maintained and functioning, it is quite difficult for a counterpower to gain ground.

When you live in Pyongyang, you tend to feel as if you were fighting against four enemies—Japan, South Korea, China, and Russia. North Korea is completely surrounded by these major powers. Once you start thinking that your country may be invaded anytime, you become neurotic. Therefore, whenever North Korea takes some militaristic action, or shows some reaction that may increase tensions, we must consider what kinds of threats or fears North Korea might be feeling. Threats are felt not only by us. We better think that North Korea is feeling much larger threats.

Threats from North Korea are often mentioned in Japan, the United States, and South Korea. But, with its military forces, North Korea can never win a battle against these three countries. Rather, what the people in North Korea feel fearful of is the threat from their neighboring countries. North Korea is geographically situated where "threats are inevitably felt." If you go to the embassy of either China or Russia in Pyongyang to get a visa, you will become well aware of the fact that you need to go through either of these two countries to go out of North Korea.

When the Chinese-North Korean relations worsened due to the Cultural Revolution, I had to take a route by way of the Soviet Union to go back to Japan. So, I went to the embassy of the former Soviet Union in Pyongyang to get a visa. When I was about to enter the embassy with my Korean guide, they refused to let my guide pass the gate. North Korean people were never admitted to the embassy building. The Soviet Union used its superpower status bluntly against North Korea. It inspected each single box of apples exported from North Korea. If a box was broken, or the sizes of apples in the box were uneven, it was not accepted. Because of all this, North Korean people in general hate Russians.

The Chinese Embassy is a little more complicated than the Russian Embassy. When the Chinese-North Korean relations were smooth, the North Korean side processed visa applications. However, when the relations deteriorated, I had to apply for a visa by myself. Like in the case of the Soviet Embassy, North Koreans were not allowed to enter the embassy. So, I knew it immediately whenever the Chinese-North Korean relations deteriorated.

At the time of the Cuban crisis, the Soviet Union withdrew its missiles from Cuba. Seeing this, North Korea became disappointed in the Soviet Union, and began to think that "after all, the Soviet Union will not be able to protect us in the end." Also, because of normalization of the U.S.-China relations, the feeling of distrust toward China has strengthened. Once a nation judges that it is the only one that can defend itself, it

has no alternative but to build up its military strength. North Korea did not seem to hide its heavy emphasis on armaments.

When I went to Mt. Kumgang for sightseeing, I saw a truck full of male and female soldiers suddenly coming out from a cave on the mountainside. They seemed to be surprised by this encounter, but I was shocked even more. I looked around the area where the truck came out, but I could not find anything resembling a gate. As I had heard about underground military facilities, I thought what I saw was one of these.

I was once invited to see an underground arms manufacturing plant near Pyongyang. It was about the time when they began to build military facilities underground. A cave was dug out in the mid-slope of a mountain, and there was a factory inside to manufacture machinery and equipment. They say that, even in the summer, the temperature inside stays cold at seven degrees Celsius. It sounds like a comfortable temperature, but it is not for the people who have to stay inside the cave. In both summer and winter, the level of humidity is high inside. They say, "In the summer, you cannot stay inside for too long because of high humidity, and in the winter, it is too cold to stay alive." That might be the case. Without an air-conditioning system, a heating system, and so on, it is difficult to work in an underground facility. (To be continued)

Sadao Murakami: Born in Tokyo in 1922. Left Hosei University in midcourse. Discharged [from military service] in 1946. After independent studies and working at the executive office of the "Dietmen's League for Friendship between Japan and China," joined the "Japanese-North Korean Trade Council" in 1958. Served as a managing director of the council, and resigned from the post in 1979. Since then, he has been acting as a "narrow bridge" to improve the relationship between North Korea and Japan.

Japan: Government To Refocus Loans to China

OW1808044896 Tokyo KYODO in English
0308 GMT 18 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 18 KYODO — The Japanese Government plans to expand projects financed by low-interest yen loans to inland areas of China after a wholesale review of economic cooperation with the country, an economic daily said Sunday.

This will mark a significant change in Japan's policy which now calls for provision of grants to underdeveloped inland areas and yen loans to fast growing coastal regions.

Quoting Foreign Ministry sources, the NIHON KEIZAI SHIMBUN said the government also plans to give priority to environmental conservation projects when extending yen loans to China.

Japan has so far furnished yen loans to China under five-year programs.

But the ministry sources were quoted as saying the government is considering giving such assistance on a single-year basis. This is so it can respond flexibly to changes in the Chinese economic and social situation, the paper said.

This is modeled on the U.S. practice of renewing annually most-favored-nation (MFN) trade status for China, it said.

The Japanese Government also plans to send a large-scale delegation to China next year in commemoration of the 1972 [adding year] restoration of diplomatic relations between Tokyo and Beijing, the daily said.

The delegation will hold talks with Chinese leaders on how best to implement yen loans to China.

After that, the government will put together new guidelines for yen loans to China in order to implement them from fiscal 1999 which begins that April, the daily said.

The review of economic cooperation with China has been prompted by China's rapid economic growth, serious environmental problems and noticeable military buildup, the Foreign Ministry sources were quoted as saying.

Japan: Government Plans Disposal of WWII Chemical Weapons in PRC

*OW1708013996 Tokyo ASAHI SHIMBUN
in Japanese 16 Aug 96 Morning Edition p 1*

[FBIS Translated Text] The government decided to start its project to dispose of chemical weapons left by the former Japanese military in China during World War II by 1998, at the latest. It will inform China of the framework of the disposal methods at the intergovernmental talks scheduled next fall. It is most likely that a chemical weapons prohibition treaty that obliges signatory nations to dismantle abandoned chemical weapons will become effective at the beginning of the next year. The government has taken this into consideration in making its decision. However, because of "the exceptional amount of abandoned weapons" (as stated by a foreign ministry official) — which is estimated at about 2 million in a Chinese document — it is likely that the government will face difficulty in talks with China on coordinating financial measures to be taken within the country and

such issues as locations where the disposal will be conducted.

The chemical weapons prohibition treaty will stipulate a full-scale ban on chemical weapons, including production and possession of weapons, and oblige nations that still possess weapons to dismantle any chemical weapons within the next decade after the treaty takes effect. The treaty will come into effect 180 days after the number of ratified countries reaches 65. At present, 61 nations, including Japan, have ratified the treaty, and it is noted that "the number of signatory nations will reach 65 as early as the end of this month" (according to a foreign ministry source).

Since Japan has almost no documents on the location and precise number of chemical weapons left by the former Japanese military, many unclear points remain. Many abandoned weapons found in the northeastern part of China fell into disorder due to the USSR military's participation in the war, and there are some instances where China later relocated and disposed of abandoned weapons. Although approximately 700,000 weapons were found there in the six investigations conducted in the past by the Japanese Government, the prospect is still dim regarding the remaining abandoned weapons requiring disposal.

Moreover, there are many difficult problems to settle for actual disposal. For example, various methods should be prepared for disposing of different kinds of chemical weapons.

For these reasons, the government has decided that a disposal project should be worked out by both governments and started by 1998 at the latest, in an effort to complete the project within the decade after the treaty takes effect.

Japan: 'Secret' Plan for Emperor To Visit Seoul Detailed

*OW1808001396 Tokyo SANKEI SHIMBUN
in Japanese 16 Aug 96 Morning Edition p 1*

[Article by Katsuhiro Kurota]

[FBIS Translated Text] Seoul, 15 Aug — The Japanese emperor's visit to Seoul has been a major pending issue between Japan and the ROK. However, a ROK Government source disclosed on 15 August that the government is secretly examining a security guard plan, codenamed "A Project," in preparation for a possible visit to the ROK by Japanese Emperor Akihito. It is reported that the "A" in the codename stands for the first letter in Emperor Akihito name, and also that the presidential security services in Seoul have concluded that "they are only 90 percent confident" so far about the

NORTHEAST ASIA

security matter, which will be a major issue for realizing the visit.

There are no outward signs that both governments are discussing in detail the Japanese emperor's visit to Seoul. However, ROK President Kim Yong-sam has indicated his intention to make the visit a reality before his term expires in February 1998. Therefore, the existence of the "A Project" attests to the fact that Kim is as deeply interested in the matter as ever.

President Kim granted an interview with Japanese reporters in Seoul last May, commemorating the 30th anniversary of normalization of Japan-ROK relations. Touching on the Japanese emperor's visit, Kim indicated his positive stance and said: "It depends on Japan's decision, but I believe that the visit will occur during my term."

However, at the joint news conference held after the Japan-ROK summit talks last June in Cheju Island, President Kim said: "The visit of the Japanese emperor to Seoul would be a good opportunity to confirm our friendly relationship and would have a symbolic significance. However, it is important that the visit be realized under the circumstance that the peoples of both countries welcome it uniformly. Therefore, whether or not the visit occurs will depend on how the people make efforts for that." In this way, Kim took a cautious attitude toward the issue while avoiding commenting in detail on such matters as the timing for the visit.

President Kim stressed the difference between his "civil government" and past governments. For this reason, Kim intends to settle the issue of the Japanese emperor's visit during his term, which could never been settled in the past.

Both countries have begun to take a friendly and cooperative line especially since the agreement was reached to co-host the 2002 World Cup. Taking advantage of this occasion, it is observed that President Kim is waiting for a chance to make the visit a reality.

However, due to the two countries' different interpretations of the "past," anti-Japanese feelings are often high in the ROK. Therefore, an "atmosphere" to maintain bilateral ties has not yet been established. Since the Japanese side wants "100-percent confidence in security" to achieve the visit, it is likely that the security matter will remain a major issue to be settled.

A visit to Seoul by Emperor Akihito was considered once while he was crown prince in 1986. However, it was canceled due to the ROK's strong opposition to historical details, including Japan's rule over the ROK, and the illness of Empress Michiko (who was crown princess at that time).

Since ascending to the throne, Emperor Akihito has visited Southeast Asia and China. However, the Household Agency [IHA] and the Ministry of Foreign Affairs had considered a visit to Seoul unlikely because of the ROK people's Japanese feelings.

The decision on co-hosting the 2002 World Cup between Japan and the ROK was made last May. In the process of choosing sites for the opening ceremony match, it was expected that the issue of the Japanese emperor's visit to Seoul would be brought up. A senior official of IHA says that "this is too early to study hypothetical issues."

Japan: Nonlife Insurers Agree on Joint Venture in Vietnam

OW1908040796 Tokyo KYODO in English
0227 GMT 19 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 19. Yasuda Fire and Marine Insurance Co. and Tokio Marine and Fire Insurance Co. have reached an agreement with a Vietnamese nonlife insurer to set up a joint venture to start insurance business in the communist-governed country, Yasuda said Monday.

Under the agreement, the two nonlife insurers will set up the joint company in Hanoi with Hanoi City Insurance Co. (Baominh), Vietnam's largest state-run insurer, they said.

The new company will be capitalized at 100 million dollars, of which 51 percent will be owned by the two Japanese insurers, the officials said. Yasuda and Mitsui Bussan Kaisha, the remaining 49 percent, they added.

The three companies are considering starting the joint company's operations as early as in the next year after getting approval from the Vietnamese government, they said.

For Vietnam, it will be the second nonlife insurer company affiliated with foreign companies. The first one jointly set up by Tokio Marine and Fire Insurance Co. of Japan, Commercial Union PLC and Vietnam's No. 1 nonlife insurer Vietnam Insurance Co. (Baoviet).

Japan: Hashimoto Seeks UN Backing for American Countries

OW1808100896 Tokyo KYODO in English
0920 GMT 18 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 18. Prime Minister Ryutaro Hashimoto hopes

with Latin American nations on his 11-day, five-nation trip to the region that begins Tuesday.

Hashimoto, who will tour Mexico, Chile, Brazil, Peru and Costa Rica, is expected to discuss economic liberalization, democratization, and integration of economies in the region in his talks with the Latin American leaders.

Hashimoto is also expected to promise assistance for environmental protection and combating drug trafficking, government sources said.

Hashimoto will ask the nations to support Japan's bid for non-permanent membership of the U.N. Security Council in this fall's election.

He will also ask them to support Japan's goal of obtaining permanent membership on the council.

The Central and South American region is seen as a world growth center after Southeast Asia as a result of its casting off of huge debts that tormented nations in the region during the 1980s.

Through the tour, Hashimoto is hoping to demonstrate his administration's desire to promote an independent foreign diplomacy by forging ties with a region that is growing in importance in the international community, according to the sources.

Japan Plans To Seek Private Fishing Accord With Taiwan

OW1908045996 Tokyo *NIHON KEIZAI SHIMBUN* in Japanese 18 Aug 96 Morning Edition p 2

[FBIS Translated Text] In connection with the fishing issue following the effectuation of the UN Convention on the Law of the Sea, the Japanese Government decided to conclude a new agreement with Taiwan on a private-sector basis. This is intended to prevent the dispute between Japan and Taiwan on the sovereignty of the Senkaku Islands [Diaoyutai Islands] from escalating, and from developing into a territorial issue between Japan and China as a result. While watching developments in fishery agreement negotiations with both China and South Korea, the Ministry of Foreign Affairs [MOFA] intends to support private-sector negotiations between Japan and Taiwan while "persisting in a position of joining the negotiations as an observer."

The government sent Koji Nakamura, former deputy director-general of the Fisheries Agency, and other former officials to Taipei on 3 August to formally explain Japan's position on fishery rights in waters around the Senkaku Islands. At the meeting, representatives from both Japan and Taiwan agreed to continue to hold such exchanges of views in the future as well. However, the

two sides reportedly "did not go so far as to discuss the issue of concluding a fishery agreement" (as stated by a MOFA source).

The Japanese Government is worried that moves are afoot in Taiwan to claim sovereignty over the Senkaku Islands in the wake of a Japanese political group's plan to set up a lighthouse on one of the islands. For this reason, the government believes "it is not expedient to leave the issue as it is" (according to the MOFA source). Given this situation, the Japanese Government has decided to support nongovernmental negotiations with Taiwan on a fishery agreement by not going to the length of holding negotiations on delineation of exclusive economic waters — which have a stronger political perception.

The government is scheduled to hold fishery negotiations and exclusive economic zone negotiations successively with China and South Korea in August. Some government officials maintain that "it is dangerous to give priority to negotiations with Taiwan over those with both China and South Korea" (as stated by a Fishery Agency source). However, MOFA intends to positively support private-sector negotiations with Taiwan, taking the position that "since each of the negotiations is expected to be prolonged, it does not follow that only an agreement with Taiwan will proceed ahead of the others."

Japan: Aerospace Agency Successfully Concludes Tests in Australia

OW1608124096 Tokyo *MAINICHI SHIMBUN* in Japanese 16 Aug 96 Morning Edition p 22

[FBIS Translated Text] Flight tests of the ALFLEX [Automatic Landing Flight Experiment] vehicle were successfully completed following the 13th flight on 15 August. A joint development team of the National Aerospace Laboratory [NAL] under the Science and Technology Agency [STA] and the National Space Development Agency [NASDA] has been conducting ALFLEX test flight at Woomera Airport in Southern Australia.

The series of test flights was conducted to obtain data on altitude control. The data from ALFLEX will be integrated with results of a test launching of a HYFLEX [Hypersonic Flight Experiment] vehicle in February, and these will be used in the development of the "HOPE-X," technical experiment vehicle for Japan's unmanned space shuttle HOPE, which is scheduled to be launched around fiscal 2005.

Following the tests, STA Director General Hidenao Nakagawa issued a statement saying: "NAL and NASDA have successfully established automatic landing

technology, which had been one of the greatest difficulties in the development of HOPE-X."

Japan: H-2 Rocket Carrying Satellite Successfully Launched

OW1708021196 Tokyo KYODO in English
0203 GMT 17 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 17 KYODO — Japan's self-developed H-2 rocket blasted off for the fourth time Saturday to place into orbit a 3.5-ton satellite for an international earth observation project and a 50-kilogram amateur radio satellite.

The 50-meter, two-stage rocket was launched at 10:53 A.M. [0153 GMT] from the Tanegashima Space Center on Tanegashima Island, about 1,000 kilometers southwest of Tokyo, the National Space Development Agency of Japan (NASDA) said.

It will release the advanced earth observing satellite (ADEOS), the nation's biggest satellite, about 15 minutes after the blastoff. After 37 minutes, it will release an amateur radio 50-kg satellite, the NSDA said.

ADEOS is designed to monitor the global environment. It is loaded with eight sensors, five of which were developed by Japan, two by the U.S. National Aeronautics and Space Administration (NASA) and one by the French national space research center CNES.

The sensors will monitor ocean temperatures, ocean surface wind speed and direction, greenhouse gases such as carbon dioxide and earth's ozone layer to contribute to a global climate research program.

ADEOS will be put into a sun-synchronous circular orbit some 800 km above earth. The radio satellite will be settled in an elliptical orbit 800 km above the North Pole and 1,300 km above the South Pole.

Data from the ADEOS project will be processed in cooperation with the U.S. National Oceanic and Atmospheric Administration (NOAA) for distribution to scientists around the world.

The H-2 is Japan's first rocket made purely from domestic technology.

To date, three H-2 rockets have been test-launched successfully since a maiden launch in February 1994. The fourth rocket is billed as the first commercial one.

The latest rocket and its sensors have cost about 100 billion yen to develop. The launch cost is some 19 billion yen.

Japan: H-2 Rocket Releases Earth-Observing, Radio Satellites

OW1708040196 Tokyo KYODO in English
0349 GMT 17 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 17 KYODO — Japan's self-developed H-2 rocket blasted off for the fourth time Saturday, releasing into space a 3.5-ton satellite for an international earth observation project and a 50-kilogram amateur radio satellite.

The 50-meter, two-stage rocket was launched at 10:53 A.M. [0153 GMT] from the Tanegashima Space Center on Tanegashima Island, about 1,000 kilometers southwest of Tokyo, the National Space Development Agency of Japan (NASDA) said.

It then released the advanced earth observing satellite (ADEOS), the nation's biggest satellite, 15 minutes after the blastoff. After 37 minutes, it also released the amateur radio satellite, NASDA said.

ADEOS, christened "Midori" (green), is designed to monitor the global environment. It is loaded with eight sensors, five of which were developed by Japan, two by the U.S. National Aeronautics and Space Administration (NASA) and one by the French national space research center CNES.

The sensors will monitor ocean temperatures, ocean surface wind speed and direction, greenhouse gases such as carbon dioxide and earth's ozone layer to contribute to a global climate research program.

ADEOS will eventually settle in a sun-synchronous circular orbit some 800 km above earth, and the radio satellite in an elliptical orbit 800 km above the north pole and 1,300 km above the south pole.

Data from the ADEOS project will be processed in cooperation with the U.S. National Oceanic and Atmospheric Administration (NOAA) for distribution to scientists around the world.

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The latest rocket and its sensors have cost about 100 billion yen to develop. The launch cost is some 19 billion yen.

Japan: BOJ Reports Key Money Supply Rise of 3.7 Percent

OW1608024996 Tokyo KYODO in English
0219 GMT 16 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 16 KYODO — Japan's benchmark money supply rose 3.7 percent in July from a year before, following a revised 3.8 percent rise in June, the Bank of Japan (BOJ) said in a preliminary report Friday.

The average outstanding balance of M2 — cash in circulation plus demand and time deposits — and certificates of deposit (CDs) stood at 558.2 trillion yen in the reporting month, the central bank said.

M1, consisting of cash in circulation and demand deposits, increased 14.6 percent in July, following a revised 16.3 percent rise in the previous month, the BOJ said.

Broad liquidity, the widest measure of money supply, grew at a year-on-year rate of 4.1 percent in the reporting month, with the balance at 1,122.8 trillion yen, it said.

The broad liquidity figure includes M3 — M2 plus postal savings, credit association deposits, loan trusts and money trusts — along with CDs, bank debentures and government bonds.

Japan: Budget Deficit Prompts Tokyo To Review ODA Program

OW1708084296 Tokyo KYODO in English
0807 GMT 17 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 17 KYODO — The government will conduct a review of its official development assistance (ODA) in view of its tight fiscal situation, government sources said Saturday.

They said the review will include the possibility of doing away with drafting a medium-term aid program, which the government has prepared as an international pledge in the past.

The sources said Japan remained the world's largest aid donor over the past five consecutive years, with outlays accounting for nearly one quarter of the total earmarked by industrialized nations.

Budgetary constraints have made it impossible for the government to give preference to substantial growth in ODA appropriations while the recent downturn in the value of the yen against the U.S. dollar has made it harder to prepare an ODA program in dollar terms, they said.

The review is also designed to improve the quality of Japan's development assistance rather than just its quantity, the sources said.

Japan has made it a rule to prepare a medium-term aid program as an international pledge since 1978 when then Prime Minister Takeo Fukuda, attending the Bonn summit of seven leading industrialized nations, promised to double Japan's ODA in three years from about 1.4 billion dollars in 1977.

Japan has since all but lived up to its ODA pledges.

The government has decided to limit the ODA growth rate to a low 2.6 percent in fiscal 1997, which begins next April 1, due to fiscal constraints.

Japan: Advanced Repayments of Housing Loans Tripled in FY '95

OW1808074396 Tokyo KYODO in English
0644 GMT 18 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 18 KYODO — The total amount of public housing loans repaid ahead of schedule in fiscal 1995 tripled from the year before to nearly 10 trillion yen, according to officials of the governmental Housing Loan Corp.

The rapid growth stems largely from debtors shifting to lower-interest housing loans offered by commercial banks, the officials said.

The number of public housing loans repaid ahead of time also more than doubled to 1.39 million, setting a record for the third consecutive year.

As a result, the number of public housing loans that were being repaid by individuals as of end of last March decreased about 680,000 from a year earlier to 6.01 million. This was the first year-on-year fall since the establishment of housing loan corp. In 1950, the officials said.

The fiscal 1995 figure is almost the same as those seen in fiscal 1987 and 1988.

However, the outstanding balance of public housing loans as of end of last March increased slightly from the year before to about 65 trillion yen, mirroring a rise in the ceiling on housing loans, the officials said.

They said interest rates on housing loans offered by commercial banks started falling below those on public housing loans around 1994, reflecting the stagnant economy.

This prompted consumers to shift to those offered by private financial institutions, they added.

A corporation official said, however, "the corporation still has a big role to play," noting the rise in the balance of public housing loans.

Japan: 'News Focus' Views Fall in Current Account Surplus

OW1708063696 Tokyo KYODO in English
0553 GMT 17 Aug 96

["News Focus" by Yoichi Kosukegawa: "Japan Worried About Fall in Current Account Surplus"]

[FBIS Transcribed Text] Tokyo, Aug. 17 KYODO — Japan's rapidly narrowing current account surplus is helping the country at trade talks but is also causing concern over its ability to survive as an economic superpower in the 21st century.

Compare the recent semiconductor trade talks with the United States, which ended in August, with last year's bilateral automobile talks.

At the former, "we were able to sit at the negotiating table without feeling any pressure," an International Trade and Industry Ministry official said.

At the auto talks, "each time negotiations faced deadlock, Japan was hit by the yen's sharp rise against the dollar on the currency markets," he said.

In 1995, Japan posted a surplus of 10.4 trillion yen in its current account balance, which is the broadest measure of trade, covering the flow of goods and services as well as investment income and other monetary transfers.

1995 also saw the yen make dramatic gains against the dollar, with it hitting its all-time high of 79.75 April 19.

A stronger yen makes Japanese exports less competitive on overseas markets by pushing up their dollar-denominated prices.

In the first half of 1996, however, the surplus dropped a sharp 34.5 percent from a year before to 3.6 trillion yen. The decline in the surplus helped push the yen back to its current levels of around 108 to the dollar.

At the semiconductor talks, Japan took a tough stand and rejected U.S. calls for joint governmental surveys to monitor sales of foreign chips on the Japanese market.

A Finance Ministry official said Japan's current account surplus is expected to continue falling, though the pace of the decline may slow in the second half because of the dollar's rebound against the yen.

Japan's surplus in merchandise trade is dropping amid moves by domestic companies to shift production abroad and export products manufactured there to Japan, while its deficit in services trade is widening

due to a rise in spending abroad by Japanese tourists, the official said.

The downtrend in the current account surplus is helping ease trade friction with other countries. At the same time, however, it is creating concern about the future direction of the Japanese economy.

If Japan falls into a deficit in its current account, it would not be able to offset its huge state budget deficit and would face an increase in long-term interest rates, which in turn would adversely affect the global economy, economists said.

Such a deficit would also make it difficult for Japan to continue to serve as the world's biggest aid donor country, they said.

"Unlike the U.S., which has the dollar as the key world currency, Japan will face difficulties in attracting foreign investment once it falls into twin deficits," an economist at a foreign securities company said.

According to estimates by Toshiaki Tomita of the Nomura Research Institute, Japan is expected to fall into a current account deficit in the year 2003 if its exports and imports maintain their average annual growth rate of the past three years.

The U.S. is now in the red in its current account balance. It is posting a deficit in merchandise trade, but registering a surplus in services trade thanks to strong royalty revenues from high-tech and software products as well as growth in commission revenues in financial services.

Japan is in the red in services trade and the deficit is rapidly expanding. If Japan begins to post a merchandise trade deficit, it could end up with a snowballing current account deficit.

Tomita said, "the rapid fall in the current account surplus is sending signals that Japan has to cut its budget deficit and promote deregulation to narrow the gap between prices at home and abroad."

In a bid to reduce its huge current account surplus by expanding domestic demand, Japan had been implementing a large amount of public works projects with pump-priming packages. But right now, the government should start tackling the rebuilding of strained finances, he said.

Unlike declines temporarily observed in the past, the fall now being seen in the current account surplus results from structural changes in Japan's trading behavior, Tomita said.

Japanese companies are accelerating moves to shift production facilities to Southeast Asia and other places with cheaper costs.

Tomita said, "it is necessary for Japan to change the high-cost structure of its industry by increasing competition through deregulation."

Hisashi Yamada, an economist at the Japan Research Institute, said the government should support private-sector research and development, not only to make domestic industries more sophisticated but also to increase royalty revenues.

Deregulation is also important to foster new industries, he said.

To maintain production in Japan and secure jobs, the government should attract investment and travelers from foreign countries by making efforts to lower high domestic costs, Yamada said.

Japan had been long under strong overseas pressure to deregulate its markets and to buy more foreign products to cut its huge current account surplus.

Ironically, Japan now faces the need to deregulate at its own initiative to maintain its economic muscle into the 21st century.

Japan: Drop in Land Values Likely To Trigger More Loan Losses

*OW1908041296 Tokyo KYODO in English
0241 GMT 19 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — The average value of a square meter of land in Japan as of Jan. 1, 1996, dropped 13.5 percent from a year before to 192,000 yen, posting a double-digit fall for the fourth straight year, the National Tax Administration Agency reported Monday.

For the 11th straight year, the most expensive square meter of land belonged to Kyukyodo Stationery store in the heart of Tokyo's fashionable Ginza district. The land was assessed at 12 million yen per square meter, a 22.6 percent drop from last year.

The average will be used to assess inheritance, property grant and land-value taxes for landowners in 1996. It was calculated according to a survey of prices of land bordering major roads at 380,000 locations nationwide as of Jan. 1.

The average value of land has almost halved since it peaked at 365,000 yen in 1992.

The downward trend in land value of Japan's three largest industrial areas continued, with an average fall

of 16.1 percent in Tokyo, 14.6 percent in Osaka and 13.1 percent in Nagoya.

The average roadside land value in the Tokyo area — comprising Tokyo, most of Kanagawa Prefecture and cities in Saitama and Chiba Prefectures — stood at 390,000 yen per square meter.

The average land value in Tokyo's 23 wards area fell by 20.1 percent to 849,000 yen per square meter.

In the Osaka area — Osaka Prefecture and parts of Kyoto, Hyogo and Nara Prefectures — the value was 327,000 yen. In the Nagoya area — parts of Aichi and Mie Prefectures — it stood at 152,000 yen.

Roadside land value fell in 43 of 47 prefectures and remained unchanged in four.

Last year, roadside land value dropped in 37 prefectures and remained unchanged in nine others. Only Yamaguchi Prefecture showed an increase.

By prefecture, the average roadside land value remained highest in Tokyo at 655,000 yen per square meter, plunging 18.4 percent from a year ago, followed by Osaka at 389,000 yen, down 16.7 percent and Kanagawa at 284,000 yen, down 9.8 percent.

The figure was down 10.3 percent to 262,000 yen in Kyoto Prefecture and down 9.2 percent to 197,000 yen in Hyogo Prefecture.

The sharp fall could affect plans to liquidate the nation's failed housing loan companies, which accumulated huge bad loans as a result of massive lending to clients who invested in real estate during the asset-inflated bubble economy of the late 1980s, industry sources said.

Shinichiro Takagi, acting head of the Real Estate Companies Association of Japan, said, "if the current falling trend continues, it will increase bad loans and could shake the basis of Japan's financial system."

Japan: Ministry on Mail Volume Rising as Economy Picks Up

*OW1708095696 Tokyo KYODO in English
0820 GMT 17 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 17 KYODO — The number of mail is steadily growing in reflection of the nation's economic pickup, according to figures compiled by the Ministry of Posts and Telecommunications.

Mail totaled 24.79 billion items in fiscal 1995 which ended in March, up 3.1 percent from the previous year, in a turnaround from fiscal 1994 when the figure dropped 1.8 percent partly due to price hikes in January 1994, the ministry said.

In April, mail grew 3.1 percent from the same month the year before and 4.0 percent in May, the ministry said.

The growth in mail was 5.7 percent in fiscal 1989, 6.1 percent in fiscal 1990 and 5.0 percent in fiscal 1991. With the burst of the "bubble" economy, however, growth weakened to 1.9 percent in fiscal 1992 and to 0.3 percent in fiscal 1993.

Since most mail is sent by corporations, the growth in postal deliveries is often said to be linked to the growth in the gross domestic product (GDP).

In a survey conducted in September 1994, more than 80 percent of mail was from companies, with 50.4 percent sent to individuals and the rest to other firms.

Japan: SDP Head Murayama Interviewed on New Liberal Party Concept

OW1708051996 Tokyo SANKEI SHIMBUN
in Japanese 15 Aug 96 Morning Edition p 2

[Interview with Social Democratic Party President Tomiichi Murayama by unidentified reporter on 14 August; place not given — first paragraph is SANKEI SHIMBUN introduction]

[FBIS Translated Text] In connection with the stalled concept of forming a new party by unifying the SDP [Social Democratic Party] and liberal forces, SDP President Tomiichi Murayama gave his view during an interview with SANKEI SHIMBUN on 14 August that the SDP will draw up the new party's basic concept and policies by the end of August; call on the New Party Sakigake and other liberal forces to join the new party; and make a decision by the end of September on whether or not it should form the new party. The following is a summary of the interview.

[SANKEI SHIMBUN] Please explain about the SDP's present stance toward the new party issue.

[Murayama] We will come up with the new party's concept and policy by the end of August and call on the New Party Sakigake and other liberal forces to participate in the party. We will make the final decision on this matter in mid-September. If we succeed in combining social democratic and liberal forces, we will be able to obtain support from those voters who are not affiliated with any particular political party.

[SANKEI SHIMBUN] Some SDP members seek to form new regional political parties in Hokkaido, Kanto, and Kinki regions. What do you think of this?

[Murayama] If we succeed in unifying local networks of the SDP, New Party Sakigake, and other forces under

the nation-level party's flag, it will become the local support base for the new force.

[SANKEI SHIMBUN] The SDP Aichi Prefectural Federation and Soshikai, a SDP faction, expressed their intention to join the new party proposed by New Party Sakigake Chief Secretary Yukio Hatoyama.

[Murayama] It remains unclear what kind of form and what kind of action the Hatoyama-led new party will take. It is impossible to form a grand force without coordinating concepts and policies.

[SANKEI SHIMBUN] What is the main pillar of your party's concept and policy at this time?

[Murayama] To respect the pacifist Constitution and democracy, while practicing politics as the representative of workers and disadvantaged people from the "citizen's viewpoint."

[SANKEI SHIMBUN] Please give your view about the timing of dissolving the House of Representatives to conduct the general election?

[Murayama] The economy is taking a turn for the better, and recovery of credit and other actions are being taken to liquidate failed housing loan corporations [jusen companies]. It is best that the lower house be dissolved after the FY97 budget program is compiled.

[SANKEI SHIMBUN] Why will the SDP cooperate with [Buddhist-backed] Komeito in election campaigns in Fukuoka and Okinawa?

[MURAYAMA] There is no other way for us but to do so this time. It is impossible for us to restrict cooperation in the election campaign within the scope of the coalition.

[SANKEI SHIMBUN] How will you deal with the proposed public nursing care insurance bill and the Okinawa base issue at the extraordinary Diet session in the fall?

[Murayama] We should consider what kind of actions we can take to compensate Okinawans for their burdens and suffering imposed by military bases. In an effort to accept the Okinawa Prefectural Government's Action Program, we will positively create peaceful and stable circumstances to realign and reduce bases. Based on the action program, efforts should be made to come up with conditions under which Okinawa Governor Masahide Ota can undertake (proxy signing). There is no problem with discussing enactment of a special law in line with the call for abolishing the system in which municipalities undertake certain duties on behalf of the central government. However, easily resorting to a special law [for the sake of forced lease of land for

the U.S. military use] will offend Okinawans. As for the public nursing care insurance bill, we will discuss it at the forthcoming extraordinary Diet session after making certain revisions.

[SANKEI SHIMBUN] How will you handle the revised single-seat constituency system bill drawn up by some SDP members?

[Murayama] We would like to submit it to the extraordinary session.

[SANKEI SHIMBUN] The SDP has been criticized for failing to present its policy colors, and for its handling of Liberal Democratic Party Secretary General Koichi Kato's scandal involving secret political contributions.

[Murayama] Although there are no clear-cut differences in the policies of the ruling coalition parties, each one of them holds its own view about pending issues, such as Japan's contribution to the international community, special legislation aimed at preparing Japan for emergencies, and the use of collective self defense rights. In view of the fact that Mr. Kato has lost the libel suit, he should clarify the truth himself by attending the Diet's Council on Political Ethics.

[SANKEI SHIMBUN] What is your view about the framework of the ruling parties after the forthcoming general election?

[Murayama] I would like to maintain the present coalition makeup after the election. However, we should respect the voters' judgment. There are differences between Shinshinto [New Frontier Party] and the SDP over interpretation of the Constitution, and Shinshinto seems not to be a united but is divided into some three groups. Therefore, we need to carefully watch their moves after the election.

Japan: New Labor Union Formed in Objection to Okinawa Referendum

OW1608130196 Naha OKINAWA TIMES in Japanese 16 Aug 96 Morning Edition p 27

[FBIS Translated Text] "The prefectural referendum is meaningless." "Economic issues are ignored." These were remarks made by some employees working at U.S. military bases on Okinawa in objection to a prefectural referendum that is currently in the works regarding the Okinawa Prefectural Government's military base policy and the nature of the presence of U.S. military bases on Okinawa. With such thoughts in mind, these employees formed a new labor union, naming it the All Okinawa Garrison Forces Labor Union (Okichuro, with Shinichiro Isa as the representative caretaker). The new labor union, which stands in opposition to the Okinawa Headquarters of the All Japan Garrison Forces Labor

Union [Zenchuro] (with a membership of approximately 6,000 and Seigen Yamauchi as chairman), held a rally on 15 August at the Okinawa Prefectural Health and Welfare Center for Garrison Forces Employees and Others [commonly called Churo Center] in Ginowan City. Okichuro is the first organization in Okinawa that has openly expressed direct opposition to the prefectural referendum.

Okichuro was formed on 8 August. According to the union's caretaker Isa, approximately 150 individuals, including base workers who belong to Zenchuro, have endorsed the new organization. About 30 union members participated in the rally on 15 August. Isa delivered a speech, saying: "Japan's prosperity has been supported by the Japanese-U.S. security arrangement. We agree to realigning and reducing military bases. However, if we take into consideration the expected employment problem, base functions should be transferred to other parts of Okinawa, if they are to be relocated at all. The prefectural government's policy calls for a complete removal of military bases from Okinawa. We cannot tolerate that if we think about the economic problems that would arise."

Regarding the prefectural referendum, Isa indicated that members of his organization intend to abstain from voting, saying: "The problems of realigning and reducing military bases and the issue of reviewing the Status of Forces Agreement are already moving forward (toward a settlement). There is no reason at all to call a referendum at this point. Even the Okinawan people are not really that conscious about U.S. military bases." The new labor union does not plan to take any specific action against the prefectural referendum.

Regarding the formation of a new labor organization by fellow workers, Zenchuro chairman Yamauchi said: "It is difficult in some aspects for military base employees to actively devote themselves to the prefectural referendum, but at the same time, Zenchuro considers the problem of employment a big issue. It is regrettable that an opposing group has emerged just when we are trying to stir up public involvement in the prefectural referendum."

Japan: Hashimoto Directs CSAO Chief To Submit Monthly Report

OW1808125896 Tokyo ASAHI SHIMBUN in Japanese 17 Aug 96 Morning Edition p 2

[FBIS Translated Text] The Cabinet Security Affairs Office [CSAO] is in charge of studying measures to be taken in case of emergencies, including the rescue of Japanese people in foreign countries. Prime Minister Ryutaro Hashimoto has directed the CSAO chief to

make a regular report on the security issue once a month, starting September. As of today, only the vice minister of the Ministry of Foreign Affairs [MOFA] and the chief of the Cabinet Information Research Office [CIRO] are directed to submit regular reports on the current situation to the prime minister. Hashimoto's close associates explain that "the direction to the CSAO chief indicates the prime minister's high interest in the crisis management and the security issue."

The CSAO is one of the "five cabinet offices" with the other four being the Councilor's Office on Internal Affairs, the Councilor's Office on External Affairs, the CIRO, and the Public Relations Office. It was set up in 1986 during the Nakasone Administration for the purpose of strengthening the crisis management system in case of emergencies. It is also the executive office of the National Security Council that has been established by ministers of MOFA and the Finance Ministry, the director general of the Defense Agency [DA], and other concerned officials. And it is in charge of comprehensive coordination on the government countermeasures against such emergencies as hijacking and large-scale terrorist activities.

Based on the Japan-U.S. joint statement on security reached at the bilateral summit talks, the CSAO was directed last May to promote its study in four particular fields in cooperation with MOFA, DA, and other concerned ministries or agencies. Those four fields include the rescue of Japanese people in foreign countries, measures to handle a large number of refugees, coastal guard and countermeasures against terrorist activities, and support for the United States.

Concerning the monthly report directed by the prime minister, CSAO Chief Yasutomo Mitsui said: "We would like to make reports on political changes and incidents that occurred in the world while probing into and analyzing those matters from the mid-term standpoint of security." However, regarding the study on measures to be taken in case of emergencies, "the CSAO does not consider the submission of a monthly report as a chance to submit the interim report on development of the situations" (as stated by a senior CSAO official).

When China conducted its military exercises in the Taiwan Strait last March, Prime Minister Hashimoto considered sending the Air Self-Defense Forces to safeguard Japanese people there. Moreover, when Taiwanese fishermen planned to perform a large-scale protest against the Japanese political organization that constructed a lighthouse-like building in Senkaku Islands last July concerning the dominion dispute between two countries, Hashimoto directed the National Police Agency to consider dispatching the police force.

The recent direction given by the prime minister is one of the reflections of his policy attaching importance to "crisis management." Tomoharu Yoda, who is member of the House of Councillors and served as CSAO chief during the Kaifu administration, commented on this matter, and said: "It is all up to the prime minister to decide how to make the most of the CSAO. In any case, it will be a new attempt."

Japan: Greater Disaster Relief, Peacekeeping Role Weighed for SDF

OW1808025496 Tokyo KYODO in English
0213 GMT 18 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 18 KYODO — The Defense Agency is considering if it could give greater authority to the Joint Staff Council of top uniform officers to coordinate disaster relief policies and peacekeeping operations, a national daily reported Sunday.

The YOMIURI SHIMBUN said in a front-page article the idea is to enable the noncivilian council to coordinate peacetime policies and actions among the three branches of the nation's Self-Defense Forces (SDF) — Ground, Air and Maritime.

The Defense Agency hopes to operate the SDF more effectively in times of natural disaster such as the Jan. 17, 1995, Great Hanshin Earthquake and potential military conflicts on the Korean peninsula and other hot spots, the daily said.

The agency plans to submit legislation to the next regular Diet session to implement the plan, although some agency officials expressed caution about granting the Joint Staff Council a bigger role in defense policies, the YOMIURI said.

Japan: Hashimoto Instructs LDP To Plan Nursing Care Insurance System

OW1908080696 Tokyo KYODO in English
0739 GMT 19 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — Prime Minister Ryutaro Hashimoto on Monday instructed Taku Yamasaki, head of the Liberal Democratic Party's Policy Affairs Research Council, to finish preparations by the end of next month for introduction of a bill on a new public nursing care insurance system, political sources said.

The government had originally intended to submit the bill to the ordinary Diet session, which ended in the middle of June, but it failed to do so mainly because of a controversy about funding of the insurance system.

Hashimoto's remarks about the timing of preparations for introducing the bill is further evidence that he hopes to have an extraordinary Diet session called in October, the sources said.

Hashimoto also told Yamasaki that public hearings on the new public nursing care insurance system should be held in such depopulated areas as Okinawa, Tottori and Gifu Prefectures as well, the sources said.

As for administrative reforms, including structural reform of the Finance Ministry, Hashimoto was quoted as saying he would like to promote such reforms along with reconstruction of fiscal policies.

Mongolia

Mongolia: Extraordinary Session of Parliament Opened 19 Aug

LD1908060996 Moscow ITAR-TASS World Service in Russian 0308 GMT 19 Aug 96

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Translated Text] Ulaanbaatar, 19 Aug — The first summer extraordinary session of the Great State Hural of Mongolia in the history of the Mongolian parliament was convened today. It has been convened because of the need to adopt changes and additions to the laws on the parliament, on the government, on the structure of state bodies, and on Mongolbank. The members of parliament are to ratify the law on elections to local bodies of power.

Mongolian President Punsalmaagiyn Ochirbat and Prime Minister Mendsayhan Enhsayhan will take part in the work of the session.

North Korea

DPRK: U.S., ROK Condemned for 'Ulchi Focus Lens' Exercises

SK1708025696 Pyongyang KCNA in English 0250 GMT 17 Aug 96 — Official DPRK news agency

["NODONG SINMUN on War Gamble in South Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — Never should it go unnoticed that the U.S. bellicose forces and the South Korean puppets are planning to stage from August 19 the joint military exercise "Ulchi Focus Lens," a deliberate provocation which renders the situation of the Korean peninsula nearing the brink of war more strained.

NODONG SINMUN today says this in a signed commentary.

We and the United States are the very ones who can make the tense situation of the Korean peninsula ease and ensure peace. The best way is to replace the Armistice Agreement with a peace agreement and establish a new peace-keeping mechanism. Only by so doing, can the danger of war be removed from the Korean peninsula and the United States be in safety.

We cannot remain an onlooker to the worsening situation of the Korean peninsula and the national dignity and security of the country being exposed to a grave danger.

Strength and the right to choice are in store for us, too.

The United States will bear full responsibility for all the consequences caused by the strained situation of the Korean peninsula.

DPRK: Clash Between ROK Police, Hanchongnyon Reported

SK1708025996 Pyongyang KCNA in English 0248 GMT 17 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — Students under the South Korean Federation of University Student Councils [Hanchongnyon] are keeping their struggle, standing against the fascist clique's suppression, according to radio reports from Seoul.

Some 4,000 students yesterday held a stern demonstration, hurling rocks and fire bombs at 15,000 riot police.

The Kim Yong-sam fascist clique dispatched 165 police companies about 20,000 strong and 12 helicopters to Yonsei University to brutally crack down upon the struggle of students.

The fascist clique forcibly walked away 1,193 students, viciously suppressing the grand reunification festival of youth and students.

DPRK: ROK 'Suppression' of Pro-Reunification Students Decried

SK1708025396 Pyongyang KCNA in English 0246 GMT 17 Aug 96 — Official DPRK news agency

["S. Korean Puppets' Suppression of Pro-Reunification Democrats Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — NODONG SINMUN today comments on the brutal suppression by the Kim Yong-sam fascist clique to break up the ceremonies for reunification festival sponsored by the South Korean Federation of University Student Councils (Hanchongnyon).

The news analyst says:

prosperity and reunification of the country, as well as good health and happiness.

[Signed] Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA

[Dated] 16 August 1996, Pyongyang

DPRK: Essay Views People's Faith in Kim Chong-il

SK1808134596 *Pyongyang Korean Central*

Broadcasting Network in Korean

0400 GMT 18 Aug 96

— DPRK-owned central radio network

[Radio essay: "Our People's Faith and Will"]

[FBIS Translated Text] The DPRK stands tall as the fortress and bulwark of socialism in one corner of the east, casts the brilliant rays of *chuche* throughout the world, and marches forward vigorously without wavering, despite pressures and offensives from the imperialists and reactionaries of the world.

What is in the hearts of our people, who are marching forward along the single road of carrying out the *chuche* revolutionary cause in the spirit of the Arduous March, under the leadership of the great general and the uplifted red banner of the revolution, without being frightened at violent storms or trials? They are boundless in their pride in upholding the great General Kim Chong-il as the leader [*yongdoja*] of our party and our revolution; the belief that as long as there is the general, nothing in the world is frightening and that we will fight and win victories without fail; and the optimism that even though the DPRK's present is good today, its future is even brighter.

The great leader Comrade Kim Il-song has taught: Today our people are filled with an ardent resolve to politically and ideologically defend our party, at the risk of their lives and despite any storm or trial, and to share the same destiny with the party.

Our people are ardently filled with a single, loyal resolve to firmly trust and follow only the respected and beloved Comrade Kim Chong-il like heaven, and to fly the red banner of the *chuche* revolution, the socialist banner, on the peak of victory without fail under the great general's leadership, no matter how far they must go and how stormy the winds may blow.

The absolute loyalty, firm belief, and will that fills the hearts of our people do not come into being temporarily under pressure from someone else; they come into being when they realize and are fascinated with the greatness of the leader [*yongdoja*] in real life.

Then, what is the basis of our people's trust in their leader [*yongdoja*]? To answer this, we should talk about the entire course in which our people, upholding the respected and beloved general as the head of the party, state, and armed forces, have made new innovations in the political, economical, military, scientific, and cultural sectors, and in all other sectors of revolution and construction. It would be impossible to describe the entire course even in thousands of books. Like this, the immortal achievements which the great general has brought about for the fatherland and people are profound and rich. If we should answer this question in short, we can proudly say that the basis is the people's fascination with the great leader [*widaehan yongdoja*] Comrade Kim Chong-il.

Our people have realized the greatness of the respected and beloved general in real life. They are completely fascinated with the Mt. Paektu trait, the people-oriented leadership trait, the noble moral obligation, and the warm character of the respected and beloved General Kim Chong-il, who defeats any archenemy and successfully carries out any difficult task with his unchanging resolve and restless efforts to embody the exceptional ideological and theoretical insights of the great leader [*widaehan suryongnim*] and resolutely defend and endlessly develop and enrich the leader's [*suryongnim*] revolutionary ideas; with his strong will and energy; and with his correct decisions and strong determination to implement those decisions.

If we look back, in the early nineties, socialism began to collapse in many countries one after another, and the imperialists loudly raved about their victory, as if their days had come. Many people were confused because of their misapprehension that the axis of the earth was shaking and that the direction of history had changed. Those days were truly harsh.

Today, our party and people are constantly flying the red banner of the revolution and victoriously marching along the single road of socialism, amid the amazement of world's people. We are amazed at the greatness of the respected and beloved general, while emotionally contemplating how we have been able to overcome those stern crises without any uneasiness and in high spirits.

The genuine trait of a great man is displayed by, among other things, the attitude of upholding the leader [*suryong*] and devoted efforts to inherit the leader's [*suryong*] cause.

Comrade Kim Chong-il, the great leader [*widaehan yongdoja*] of our party and our people, upheld the fatherly leader [*oboi suryongnim*] — the eternal sun of mankind who created the immortal *chuche* idea, a key

to cultivating man's destiny, and put the world on the track of independence — on the altar of eternal life and is realizing the chuche revolutionary cause without a hitch. The respected and beloved general told an official once that the great leader [widaehan suryongnim] was the sun of mankind and that he [Kim Chong-il] was the warrior of the sun. He added that this was his lifelong motto.

The sun of mankind and his warrior: he is a great man who has great character and glorifies and leads the future road of mankind's independence. Still, the great general considers himself to be merely the loyal warrior of the great leader [widaehan suryongnim].

From the remarks of the respected and beloved general, our people emotionally recall each word of the poem he recited at the historic peak of Mt. Yongnam dozens of years ago.

I can see the mountains and rivers of the 3,000-ri land on the sun-rising peak of Mt. Yongnam.

I will uphold the lofty ideals of the leader [suryongnim] and become a master responsible for the Korean revolution.

Oh, Korea: I will glorify you.

When we recall the respected and beloved general's unshaking will and resolve to inherit the revolutionary cause of the great leader [suryongnim], the extraordinary sun, the will and resolve contained in this poem, which resounds solemnly in the immortal song "Korea: I Will Glorify You," we realize again what he wants and why he works without rest night and day. We also emotionally see today's solemn reality of our fatherland, which unfolded under his leadership.

All people were pounding the earth and shedding tears of blood that summer two years ago. We are a proud people who again stood up like giants after turning the pain of loss and the trials into strength and courage. What made our people, who had been moaning over the trials and a loss unprecedented in the history of mankind, stand again? It was the absolute belief that the respected and beloved Comrade Kim Chong-il, another matchless great man who considers glorifying the lofty ideals of the great leader [widaehan suryongnim] to be his lifetime task and is powerfully leading the people along the single road of chuche with the revolutionary baton, which the leader [suryongnim] handed over, is standing at the vanguard of our revolution. It was also the firm belief that as long as he [Kim Chong-il] is there, we can overcome any trial and achieve happiness.

Awake or asleep, he could not resist the yearning and longing. He had greater pain than the sorrow of all

our people, but he made each of us stand up again and saved the nation from the sea of tears. The man of mercy is the great man General Kim Chong-il, the supreme reincarnation of loyalty and filial piety, and of communist ethics and morality. [music]

How can we forget. Because we had the respected and beloved him [kyongachanun kui], who moves the world with his ever-changing strategy and wise tactics and who is a Mt. Paektu-style general, our people were always able to win against the imperialists in the conflict without gunshells, and were able to achieve great victory in the nuclear negotiations between the DPRK and the United States in terms of politics, military, and foreign relations.

Thanks to the respected and beloved general, our people are not afraid of thousands of enemies and have unhesitatingly overcome military threats and political and ideological offensives, as well as the economic sanctions of the imperialists and reactionaries, living with optimism in tomorrow. Our respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji], he is the symbol of the chuche-based Korea, the brilliant future of our people.

The people take after their leader [suryong] and leader [yongdoja]. The great general's faith and will is our people's iron will and staunch determination. Our people only uphold the respected and beloved General Kim Chong-il [kyongachanun kimjongil changgunnim], and walk along the single road toward the chuche revolutionary cause pioneered by the great leader [suryongnim].

The warm hearts of our party members and people are loyal and dutiful hearts that beat only for the respected and beloved Comrade Kim Chong-il.

Listen to the heart of Comrade Kim Pu-ung of the rolling workshop of the Chollima Steel Complex:

[Begin Kim recording] Let us become members of the honor guard unit and the do-or-die unit to death-defyingly defend the great leader [suryongnim] and the great general with increased steel production. Let us be genuine loyalists who firmly trust and follow the great leader [widaehan yongdoja] Comrade Kim Chong-il. Repeating these slogans, the working class in Kangson devotes all its wisdom and passion to steel production. The working class in Kangson bears the firm and staunch faith that as long as we have the great general, we will win. Following the fatherly leader's will, we will follow the leadership of the respected and beloved general, fearlessly overcome any difficulties and trials with the spirit of the arduous march, and vigorously accelerate the general march to add further

luster to the popular masses-centered socialism of our own style.

We do not wait until the superiors send us everything needed in production. Highly displaying the revolutionary spirit of self-reliance and fortitude, we seek out what we do not have, and make more of what we lack, solving everything with our own strength and technology. Uplifting the red flag, we will show off to the world the spirit of socialist Korea, and demonstrate again the loyalty of the Kangson working class, whose members are firmly united in one heart and one will around the great general. [end Kim recording]

Yes. Anyone who does not dedicate his heart, beating with the red and pure chuche-style blood, to the great general, does not have the right to discuss honor, dignity, loyalty, or filial piety. Bearing the faith that as long as we have the great General Kim Chong-il [widaehan kimjongil changgunnim], we will certainly win, we will uphold the general until the sun and moon disappear, with the death-defying spirit of the 7th Brigade in the forest of Paektu, and will complete the chuche revolutionary cause to the end. We will invariably lift the red flag of revolution, further glorify our country and fatherland, and dynamically and vigorously walk along the single road of loyalty forever. [music]

DPRK Article Assures Victory Under Kim Chong-il's Leadership

962C0080A *Pyongyang NODONG SINMUN*
in Korean 3 Jun 96 p 2

[Editorial Article: "We Are Sure of Victory"]

[FBIS Translated Text] The people fighting for a just cause under a great leader [yongdoja] have faith in certain victory and optimism.

The greatest strength in the world is faith in one's own victory and optimism.

The conviction of certain victory and optimism: When possessed with this, revolutionaries and people can forge ahead and realize their lofty ideals and objectives to the end by doggedly breaking through all ordeals and tribulations.

With this conviction and optimism, people may easily falter and collapse when they are confronted with the slightest obstacle, and they are doomed to kneel down before the enemy, consigning themselves to the fate of capitulation and ruin.

Every victor in history was invariably an optimist who fought undauntedly under the worst circumstances, confident of winning victory, whereas the vanquished in history were without exception cowards who wavered

in the face of obstacles and abandoned the revolution, unable to see their way through to victory.

The Korean communists and the Korean people as a whole are vigorously going forward fulfilling the revolutionary cause of chuche by holding the great leader Comrade Kim Il-song forever in high esteem and following the leadership of the respected and beloved General Kim Chong-il. They are the victors with an unequalled confidence, the fighters with revolutionary optimism, who have cut through all formidable ordeals with smiles on their lips.

With the 20th century drawing to a close, an acute struggle between socialism and capitalism, an Armageddon between the two opposing forces, is currently under way on the globe. Never before in history did the capitalists run wild so overbearingly and tyrannically as today. The enemies who are incomparably inferior in terms of political and moral standards as well as in terms of ideology and ideal, are trying desperately to squeeze us to death by every means and effort.

However, no vicious machination of the enemies can work in our land.

In the middle of the violent gale of antisocialism raging over the globe, Korea stands tall as a summit of faith in victory and as an impregnable citadel of radiant revolutionary optimism.

Our land is brimming over with faith in certain victory and optimism and alive with a surging confidence of the strong as our people are dauntlessly paving the path for the march of chuche by gallantly weathering the most formidable storm of our time with the spirit of the Red Flag and the spirit of "the arduous march."

The majestic appearance is just like a mountain standing high in the middle of the ocean, crushing violent waves that are incessantly beating upon its rocky shores.

It is like the toughness of a green pine tree that keeps the freshness of its leaves all the year round, weathering snow and rain storms.

Everywhere in Korea one senses the breath, the indomitable spirit, and the lively activities of the vivacious people who are confident of and optimistic about winning victory.

Currently, Kangson, the home of the chollima, is bubbling with the spirit of new innovation.

In 1996 when our people had to overcome the most formidable difficulties in our revolution, it was the workers of Kangson who came out first in support of our party's Central Committee and who raised the torch of the great Chollima upswing, cherishing deep in their

hearts the desire of the fatherly leader, who visited their mill before any other factory.

The workers of our Kangson Iron and Steel Complex cherish the immense trust and expectations of the great general [Comrade Kim Chong-il] deep in their hearts wherever they are, while tending their furnaces, or on their way to work in the morning, or lying in bed. Under the present acute situation, they renew their solemn pledges made to the party, the revolution, and the time to fulfill their honorable duties. Raising their voices of faith, they say:

"The spirit of our Kangson is the optimism of the people confident of sure victory. In the difficult postwar period, we staunchly fought with faith in the fatherly leader and won victory. Currently, the imperialists, our enemy, are making all sorts of machinations against us, but to no avail. Victory is in store for us. We, who have our great general, will triumph without fail."

Victory is in store for us.

We will win no matter what machinations the enemy may come up with.

Today our people are fighting staunchly and moving forward victoriously with this faith in certain victory.

Korea is safe and sound.

The imperialists are ranting as if they were going to swallow us at a gulp. But Korea is not batting an eye, and its people feel sure of themselves, as confident as ever. Just as the blue water of the Taedong and Yalu rivers flows constantly, so our people's lives are normal and stable. No matter how badly the enemy may try to denigrate us, the atmosphere of our country is bright, people everywhere brimming over with confidence.

This reflects the mettle and composure of the revolutionary optimists who have not the slightest doubt about winning victory.

Our people are living today for tomorrow.

No matter how desperate the enemies of the revolution may be in their attempt to block our way, we are boldly carrying out each and every task, whatever it may be, not just for today, but with vision, looking 10 or 20 years ahead. In this way our people are advancing toward their hope-filled future.

That is the peculiar temperament and the revolutionary way of doing things of our people, who are optimistic about a greater victory tomorrow rather than rejoicing over today's results.

If it were not for our faith in certain victory, we would never have been able to fight on staunchly with the spirit of "the arduous march," holding the red flag fluttering

in the wind, nor to set the slogan "Let us live today for tomorrow!"

But for the spirit of revolutionary optimism, we could never have raised our voices of conviction in our ability to defend socialism in the middle of the current harsh trials, nor to utter the words of unbounded confidence challenging our detractors to wait and see who will be the one to have the last laugh.

Faith in certain victory and optimism!

Korea is pulsating with this spirit, and its people are living and fighting with the beating of this spirit.

We will triumph.

With this spirit—the relentless spirit with which to seal the fate of the aggressors once and for all should they dare to pounce upon us—the gallant members of our people's army [KPA], a one-a-match-for-100 fighting force, are tightening their grips on the rifles of the [working] class, the rifles of socialism, and the rifles with which to defend and protect the leader.

With this faith in certain victory, our five million youths are vying with one another to rush to the outposts of national defense and the difficult and arduous posts of socialist construction, shouting the slogan "Let us give our lives to fighting for the great General Kim Chong-il! as loud as blasting thunder, with the spirit of becoming human shells and bombs to defend the leader at the risk of their lives.

With the unflinching conviction and optimism that our people are sure to win, our agricultural workers are stepping up rice transplanting to reap a bumper crop in the fall as they did in the 1950's during which time they guarded the base of socialist agriculture and met the demand for the wartime rice supply. People are becoming all the more confident that their country will triumph as they hear moving stories that blossom in every nook and cranny each day, as they watch instances of communist behavior illustrating the truth about the triumph of socialism over capitalism in human relations, and as they hear the ringing voices of children reading their books in the classrooms and see the bright and cheerful looks of the growing generation.

To revolutionaries fighting bravely to attain the lofty goal they have set for realizing the independent stand and attitude of the masses of people, victory is the aim and hope in life, an eternal motto of fighting, and an unsurpassed glory.

Revolution continues for a long time, and there may be unexpected adversities and life-and-death ordeals in its way. But the revolutionaries should never, even for a

moment, lose their confidence and faith that they will win in spite of the hardships.

The more difficult the circumstances become, the harder the true communists should try to know how to be more confident of winning victory and how to look ahead more clearly into the future over the hilltops of difficulty and adversity lying immediately in front of them.

In faith in certain victory and optimism there lie the indomitable fighting spirit of the revolutionaries, the bravery of the fighting men, and the prowess of the strong.

Revolutionaries should live always with the spirit of revolutionary optimism and be all the more daring and bold when the going is rough. They cannot carry out a revolution if they should lose courage and become pessimistic and gloomy each time they are confronted with obstacles. When the fighting becomes more arduous, they should know how to look ahead with foresight and boldly break through all difficulties and adversities with a smile.

Speaking of the trials at (Chochangju) Guerrilla Base during the period of the anti-Japanese revolutionary struggle, they were so formidable that it is beyond imagination for the growing generation.

The people of (Chochangju) had their homes burned by the indiscriminate "punitive operation" by a Japanese imperialist force and had to survive on tree bark and wild grass roots. Yet they bit the bullet and fought against the enemy to the end, by looking forward to the victory ahead and painting a picture in their imaginations of the day when they would return to the fatherland with glory under the commander, with the Red Flag fluttering.

Today our country is going through formidable difficulties.

In an attempt to isolate, suffocate, and squeeze to death our republic, which is standing tall on the planet as the bastion of socialism, the imperialists have become utterly arrogant in the aftermath of the fall of socialism in the former Soviet Union and East European countries and are frantically launching an all-out offensive against our republic in every field, political, economic, and military.

Our people are cutting through all kinds of hardships in our times, bearing the fate of mankind and the fate of socialism on their shoulders. The tribulations and trials they are going through are unusually numerous.

Nevertheless with the honor of and the responsibility for being the trail blazers and pioneers of our time, our

people are forging ahead on the road of redoubled courage, ever more confident.

Our revolution is indeed in difficult circumstances, but we have our mettle and overflowing confidence in every aspect of life.

We can defeat the imperialists in an ideological struggle, overwhelm the enemy in a cultural, military, and other sphere.

The Korean communists and the Korean people as a whole are the resolute fighters and are fighting to fulfill the most just cause of mankind, the chuche cause, with the great leader at the helm.

Justice will prevail without fail. In the struggle between the just and the unjust, the counterrevolution and counterrevolution and between the just and the unjust, the counterrevolution forces might get the upper hand temporarily, but victory is on the side of the revolution and the people fighting for the just cause.

We will triumph.

This conviction of ours is the belief that we will win, and mirrors the mettle of our people in the most sacred cause in history, the chuche cause, who are proudly walking down the just road of truth.

Conviction is a faith in what is right and just.

The revolutionary cause of chuche, pioneered by the great leader Comrade Kim Il-song for the history, is being carried on by the respected General Kim Chong-il succeeding from one leader to another under the immortal banner of the ideology.

This cause is the great science which the people and intelligence of mankind have ever known, the most just cause and the most rewarding cause worthwhile for every revolutionary giving their lives.

The great leader [yongdoja] Comrade Kim Il-sung pointed out as follows: "It is because of the justness of the socialist cause of chuche and our unshakable faith, our people are vigorously advancing the road of socialism, not swerving in any direction."

We are confident of the victory of the revolution because we believe in its justness.

Luise Rinser, a noted Western female writer who visited our country, said as follows when she met the great leader: "Your Excellency, Mr.

your country everything is being done for the good of the people.

"I have experienced for the first time what socialism is like, what communism means in essence, and what has been gained in a socialist country.

"I implore you not to abandon the road you are pursuing now."

In the 20th century, with its great, unprecedented marks on the political history of modern times, we have witnessed numerous important events and changes affecting the fate of mankind and the course of historical development and have seen the endings as well as the beginnings of diverse causes, each claiming its own justification. We have come to know what is just, what is unjust, and what is phony as we watched all descriptions of ideals and doctrines appear and many a state and nation rise and fall.

The revolutionary cause of *chuche* embodies the immortal *chuche* ideology of the great leader Comrade Kim Il-song.

We know of no other cause which is as great and noble as our *chuche* cause, which has the complete realization of the independent stand and attitude of the masses of people as its loftiest goal and which is radically remaking nature, society, and the world with people, the masses, at the center, by doing away with all forms of subjugation and inequality.

All that is truthful, wholesome, beautiful, and great, of which we feel all the more proud with a clear conscience as we look around the current confusing world, has been achieved under the *chuche* cause.

With the initiation of this cause, the course of history began to shift from the era in which the exploitation of man by man dominated the world to an anthropocentric era in which man has emerged as master of the world and his own destiny. The pioneering of the *chuche* cause marked the birth of independent-minded man and the beginning of the age of self-dependence.

It was because we held the Red Flag of *chuche* high that we have been able to make the most dramatic transition in our destiny from the most tragic status of being the people of a ruined country to that of the most dignified nation, to eliminate the backwardness and poverty that were handed down for millennia, and erect a powerful socialist state, self-dependent, self-supporting, and self-defensive, by our own efforts. On the road leading to the ultimate realization of the *chuche* cause, we are making brilliant headway in the fulfillment of the awesome and profound epoch-making goal of human remolding, social reform, and nature remaking

that remained a historic task for a long time, and for the first time have given birth to the sociopolitical organism of the leader, the party, and the masses as the most powerful driving force of the era of self-dependence and as the ideal image of the future of mankind. It is the lofty *chuche* cause that has brought about the real feature of our anthropocentric society, a large harmonious family in which people are helping one another in a beautiful human relationship with the spirit of camaraderie and a sense of moral obligation. This kind of society is unimaginable in mammonish capitalist society where human virtues are drying up completely under ideologies dominated by extreme misanthropy.

Capitalism is incapable of eliminating all sorts of mental and moral depravity and social evils despite its noisy propaganda and whitewashing, touting "freedom," "equality," and "prosperity." It is doomed to ruin. Even scholars and intellectuals in the capitalist world are lamenting that "capitalism has at last brought mankind to the brink of ruin while pressing forward frantically."

The fall of socialism in many counties in the world does not mean the collapse of socialism but the fall of phony socialism and the bankruptcy of opportunism and of the trashy renegades.

The *chuche* cause is our eternal life and the major theme of our nation.

The *chuche* cause, associated with the whole life of the great Comrade Kim Il-song, is the greatest legacy we have inherited from him and the supreme cause which the Kim Il-song nation will carry on for thousands of generations yet to come.

Out of an unyielding sense of justice toward what is true, and out of the infinite loyalty and lofty moral duty to the great Comrade Kim Il-song, we cannot let go the Red Flag of *chuche* even for a moment, even if thousands of mountains and mine fields stand in our way.

Justice is strength, and the just ones are the strong ones.

A country or a nation, however small, can exhibit the dignity of the strong and the majestic air of a powerful state if only it walks down the road of righteousness, the road of truth.

That justice prevails over injustice is the historical necessity no force on earth can contradict.

Our cause is a just cause, and our struggle is a just struggle.

It is not because our land is massive in space and rich in natural resources that we are strong and daring.

We are always strong because we are given to justice.

It is because we are right and truthful that the imperialists do not dare to taunt us in spite of all sorts of vicious machinations and physical force they have resorted to in the past several decades. Our confidence and optimism are so strong because our cause is just.

Falsehood and sophistry can last only briefly, if at all, whereas justice and truth are permanent. No matter how the outmoded may take the shape of something new and no matter how the phony may wear the skin of truth, history and people will peel off all these exteriors and pass judgment on the truthful and just as winners.

We will win.

This conviction stems from an absolute faith in the great leader [yongdoja].

Our optimism about certain victory is the daring and dauntless spirit of the great leader's people and the nation under the great general—the people who are showing their majestic air of invincibility, holding the peerless great man, the outstanding leader of the revolution, the invincible general in esteem.

We are just because we have the great leader [yongdoja], and we will win because we have the great general.

Truth will triumph, but victory does not come automatically.

We cannot win victory merely by setting forth the right ideals and goals.

Why in history did some people who put up a just cause come to be overwhelmed by injustice and reaction and broken up in pieces despite the progressive nature of their ideologies and ideals?

The reason is that they did not have a great leader with a conviction and capacity strong enough to lead their just cause.

It is the leader who decides the rise or fall of a nation and the success or failure of the revolution.

General Kim Chong-il.

He is a great incarnation of justice and a great symbol of great victory for the chuche cause.

The great leader's revolutionary cause of chuche.

That is the life-long mission, the great principal goal, and the paramount task of the respected and beloved general.

One great conviction has a firm grip on tens of millions of hearts.

"Do not expect any change from me."

Those were the words our general thundered to the whole world to express his great confidence at a time when our people were in the greatest national mourning in their 5,000-year-old history, with the attention of the whole world focused on the question of whither Korea was going, and when our enemies indulged in all sorts of speculation, spreading wild rumors suggesting that some "change" was forthcoming in our country.

That was the declaration of the unshakable determination of the great general to carry on, without even a momentary swerving or the slightest faltering, the cause of the great leader, the chuche cause, even if the world should tumble a hundred times.

The esteemed name of the great General Kim Chong-il is the only and absolute symbol of victory in our time, and his sacred image as a great man is the brilliant image of victory for our socialist fatherland, the image of victory for the Kim Il-song nation, and the lasting image of victory for the chuche cause.

Today, when our revolution is in an unprecedentedly difficult situation, our people are dauntlessly overcoming manifold trials by upholding the respected and beloved general with loyalty and confidently moving forward by drawing redoubled strength and courage from his teachings and lofty desires and by seeing in his dignified looks still greater victories and glories and thriving prosperity for tomorrow.

Our general's ideology is the immortal chuche ideology; his strategy is an ever-victorious strategy; his conviction and mettle are an invincible confidence and grit; and his affection and benevolence are the boundless tenderness and goodness of the universe which embraces everything in its bosom.

It is because we have the great general that we are just, strong, and humane.

It is because we have the great general that we have our invincible, wholehearted unity which no force on earth can destroy.

Revolution is unity, and unity is victory. The shining tradition of our wholehearted unity was founded with the spirit of protecting the Great Star in the bygone days, and today the entire party, the whole army, and all the people surround the bastion of unity forming the multitiered walls around it with the spirit of resolutely protecting the great general, the spirit of protecting the leadership of the revolution.

It is because we have this wholehearted unity centering on the respected and beloved general that there is no difficulty we cannot overcome nor a fortress we cannot capture once we make up our minds. The

wholehearted unity! Only with a firm grip on it will we be able to accomplish the historic task of realizing national reunification, winning the ultimate victory of the socialist cause, and building an independent new world, and accomplish everything else we want and wish to accomplish.

The revolution is safeguarded by the gun, and the gun assures victory.

It is thanks to the great general that we have an invincible armed force, a matchless revolutionary armed force which knows nothing but victory.

The chuche-oriented revolutionary armed force.

It is because we have the invincible KPA led by the respected and beloved general that we have nothing to fear and dread, that we are capable of defeating any enemy, and that we will accomplish the chuche revolutionary cause to the end.

We have a self-supporting national economy. Because we have the durable foundations and the inexhaustible potential of our self-supporting national economy, laid down by the fatherly leader through his lifelong devotion and consolidated by our general, we can survive by our own efforts and build a better, richer, and stronger socialist state with nothing to be envious of, by crushing any offensive of the enemy to squeeze us to death and any scheme to blockade our country.

We have many friends, and Korea is at the center of admiration and envy of the world.

The sacred looks of the great general are the looks of Korea, and his high prestige is our nation's prestige and the dignity of our fatherland. Korea shines all over the world because we have him.

It is due to the immortal esteemed name of the respected and beloved general and his absolute authority that Korea is growing in stature and influence despite all kinds of machinations of the imperialists to squeeze us to death, and that strident voices calling for an independent stance and attitude and international solidarity are reverberating through every corner of the five continents, and the movement for the resurrection of socialism with Pyongyang at the center has reached a turning point.

Victory is ours because we have the great general.

"Supreme Commander Kim Chong-il exactly resembles Generalissimo Kim Il-song, the general of Mt. Paektu, who won both the anti-Japanese war and the fatherland liberation war. Korea has already emerged victorious in the confrontation with imperialism. No force on earth can bring down Korea, which has the iron-willed commander."

That was the voice raised by our people some time ago in praise of the respected and beloved general as they heard the news that television stations in many countries carried the awe-inspiring sight of the respected and beloved general touring foremost frontline units on the western, central, and eastern fronts.

The great General Kim Chong-il.

He is the ever-victorious iron-willed commander who is piloting the ship of history through the gales of counterrevolution, with a firm grip on the rudder, by the force of fiery winds of chuche and with the same prowess with which the great General Kim Il-song played havoc on the million-strong enemy force at will, earning the epithet of the tiger of Mt. Paektu.

The flow of history invariably follows the course of justice, and the initiative in winning victory in the struggle between revolution and counterrevolution is always in the hand of the great leader and great commander of the revolution.

Today the imperialists are running wild arrogantly and shamelessly to squeeze our republic to death by all means and efforts, but things are progressing exactly in accordance with the desires and determination of our general who is leading the just cause, and the situation is quieting down as the fate of imperialism is in his hands.

The revolutionaries and communists fighting for the true cause are not a passive existence bound by a given environment and condition, but an independent existence which carves out its own destiny, always trusting the leader and subjecting everything to its goals.

We are a chuche-oriented organism living and fighting independently as its own master, holding the great leader, the great general, in high esteem. As such we always lead our time according to our own will, untrammelled by any condition whatsoever, in any circumstance however adverse it may be.

We are the proud warriors who have risen up to risk our lives in the fight for the great General Kim Chong-il—the only symbol of human justice and truth and the human sun whom we can worship from the bottom of our hearts, and in whom we can entrust our fate—and for the chuche cause, a cause so worthy that nothing in this world can substitute it.

We are guarding socialism, cutting through all ordeals and trials in our way. Wait and see who is going to laugh last.

That is precisely the conviction and mettle of our people who are fighting for the just cause and for the general, and who, rising like a volcano, is pressing forward.

He who laughs last is the real victor.

He who fights for the just cause wins even in death, and no force on earth can bring to their knees a people who have risen for their cause, ready to die for it.

We are applying ourselves to fulfill the most just cause in history under the peerless great man, the great leader [yongdoja], and we will glory in our reputation as the eternal victor on the road of chuche.

Justice must win, and winning is the logic of justice.

We will not fail to make the Red Flag of chuche bequeathed from the fatherly leader flutter on the summit of final victory by negotiating fiery volcanos and cutting through thousands of miles of raging waves. By winning a final victory in the fight against the imperialists, we will convincingly prove before the whole world that our ideology is right and our cause is just.

This is a sacred duty of the Kim Il-song nation to the fatherly leader and our time, and at the same time, it is the right in the revolution, the right as a nation, and the right in life which no one can take away from it.

Victory awaits us.

We will win!

DPRK: 'Talk' Lauds 'People-Oriented' Regime of DPRK

SK1708083296 *Pyongyang Korean Central Broadcasting Network in Korean*

2225 GMT 15 Aug 96

— DPRK-owned central radio network

[Unattributed talk: "Our People's Regime Is a Genuine People's Regime Serving the Working Popular Masses"]

[FBIS Translated Text] Our people's regime, which was established by the great leader [suryong] Comrade Kim Il-song, is a new chuche-type people's regime that thoroughly serves the working popular masses. The great leader [suryong] Comrade Kim Il-song taught: Our people's regime is a genuine people's regime that represents the interests of and serves the working popular masses.

The reason our people's regime is a regime that serves the working popular masses lies, above all, in that a broad range of working people are the masters of the regime, grasping power. Whether the popular masses grasp the state regime is a fundamental matter by which it is determined whether the regime serves the popular masses.

As the great leader [suryongnim] taught, the state regime is the political governing power and basic element

that entitles the people's position and role. Only when they firmly grasp sovereignty can the popular masses completely exercise their sovereign rights and make everything in society serve their demands and interests.

The master of our people's regime, which was established by the great leader [suryongnim], is the broad range of the popular masses. It is also the popular masses that manage and operate state organizations. The Supreme People's Assembly and various local people's assemblies are managed by deputies who were all elected directly by the people.

As the popular masses are the masters of their sovereignty, all state policies are set by the intent of a broad range of working people, and are executed in accordance with their interests. All policies, from political, economic, cultural, and military policies to those on the people's living, are made thoroughly based on the people's interests, and serve guaranteeing their independent and creative lives.

Another reason our people's regime is a genuine people's regime for the working popular masses is that it fully practices democracy in state activities. To fully practice democracy in state activities is a basic condition for making the regime a genuine regime that serves the people. The great leader [suryongnim] taught that democracy is, in short, politics that integrates the working popular masses.

Our people's regime is a regime that practices democracy for the working popular masses, a socialist democracy that is the most complete and general. In our country, all state policies are implemented in accordance with the intent and interests of the working popular masses; all people, including workers and farmers, enjoy the most esteemed and happiest lives to their fullest.

Our working people actively participate in state management as the masters of the country; each has the right to vote and the eligibility to run for elections regardless of sex, vocation, belongings, knowledgeability, political opinion, and religion. They also fully enjoy their freedom and rights for social and political activities, including the freedom of the press, publication, assembly, and demonstration.

The working people of our country are guaranteed the right to labor and to rest by the state. Everyone chooses a stable job fitting his or her desires and abilities. And all working people work to their hearts' content, fully displaying their strength and wisdom in worthwhile labor for society and for themselves.

Our country guarantees all the people every material condition— food, clothing, and other necessities—and offers free universal compulsory education and medical

services. Thanks to these people-oriented policies of the state, all people live equally well without worrying about food, clothing, housing, education, and medical care.

All of the social and political rights, as well as the happy material and cultural lives that the people enjoy in our country, are not only legally guaranteed by the socialist constitution, but also are firmly guaranteed by the advanced socialist system and the strong self-reliant national economy. In our country, where socialist democracy is practiced generally as stated above, all working people respect and closely cooperate with each other as equal social members, struggling for a common cause.

Our people's regime can also be called a genuine regime serving the working popular masses, because it is completely based on the most revolutionary and people-oriented work method. Choosing a work method is a basic question in enhancing the functions and role of the state regime. The working-class regime for the working popular masses can smoothly perform its sublime mission and duties as the people's servant only when it thoroughly establishes a work method befitting its characteristics. Correct state lines and policies for the popular masses and the people's independent lives and rights can be correctly implemented and guaranteed only when based on a revolutionary and people-oriented work method.

Our people's regime is a genuine regime of the people that considers the great Chongsalli spirit and Chongsalli method, which brilliantly embodied the immortal chuche idea and the revolutionary mass line, to be the basic principle of its activities. The Chongsalli spirit and Chongsalli method created by the great leader [suryongnim] is a revolutionary and people-oriented work method that makes it possible to raise the people to be the most independent and creative human beings by constantly enhancing the popular masses' awareness and role as masters; placing their intents, demands, and interests above all else; and solving all problems by relying on the popular masses' wisdom and strength.

As the Chongsalli method has firmly been turned into an invariable work principle and an original work method of our functionaries today, our power organizations have come to have their roots deep in the popular masses and to be able to handle all work in accordance with the popular masses' interests.

Our people's regime also thoroughly embodies the Chongsalli spirit and Chongsalli method in economic guidance and economic management. Because it is carrying out its activities thoroughly based on the most revolutionary and people-oriented work method, our

people's regime is able to truly implement its mission and role as the loyal servant of the people.

With the truly genuine regime of the people that has embodied the immortal chuche idea, our people, who suffered from severe poverty and no political rights in the past, have become the most respected and happiest people who enjoy independent and creative lives to the fullest.

Our regime, established by the great leader [suryongnim], is now being further strengthened as the genuine people's regime that protects and embodies the working popular masses' interests under the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il.

DPRK: Leader Hailed as Center of Unity

SK1708112296 Pyongyang Korean Central Broadcasting Network in Korean

2241 GMT 16 Aug 96

— DPRK-owned central radio network

[Unattributed talk: "The Leader [suryong] Is the Center of a Sociopolitical Organism"]

[FBIS Translated Text] The great leader [widaehan yongdoja] Comrade Kim Chong-il pointed out: A sociopolitical organism is formed by many people, thus, it needs a center that consistently controls the life activities of the social collective. Just as the center of an individual's life is the brain, the center of the life of a sociopolitical collective is the highest brain of this collective, the leader [suryong].

The definition that the center of a sociopolitical organism is the leader [suryong] is a scientific and theoretical discovery that profoundly explains the basic question of the being and development of a sociopolitical organism. A new explanation is given to the lofty truth that when the popular masses unite around the leader [suryong] and highly uphold the leadership of the leader [suryong], they can bear and glorify their lives as the independent main force of history.

The sociopolitical organism and its center are connected by an unbreakable chain. The sociopolitical organism is a solid social corporate body formed by many people. Thus, it needs a center that consistently controls the life activities of the collective. The center of a sociopolitical organism is the leader [suryong]. The sociopolitical organism is a sociopolitical collective in which the party and the popular masses are solidly united in one organization and one ideology, centered around the leader [suryong], bearing an independent life.

Without a center that consistently organizes and controls the life activities of a social collective, the sociopolitical

collective has no life activities. The popular masses must have a center for their life activities. When the popular masses have a center and brain for their life activities, they form a sociopolitical organism and become an independent main force that vigorously advances the development of history and the revolutionary movement.

The significance of a sociopolitical organism can be confirmed only when there is a correct understanding of the center of the organism's life activities. The center of the life of a sociopolitical organism is the leader [suryong], the highest brain of this collective. This is because the leader [suryong] is the center that consistently controls and leads the life activities of the sociopolitical collective, which consists of the popular masses.

The life activities of a sociopolitical organism are a creative activity to defend and accomplish the independence of the popular masses. The life activities are implemented by the center of the sociopolitical organism. To man, the brain functions to plan all activities, and all life activities are carried out as a goal ordered by the brain. As such, a sociopolitical organism conducts life activities through the ideology and leadership of the leader [suryong] — the highest brain of its life — and acts as the independent main force of history.

Above all, the leader [suryong] is the center that unites the independent demands and interests of the popular masses, and manifests the demands and interests. In order for an organism to satisfactorily carry out its life activities, it should unite the independent demands and aspirations of the components that form the organism.

Originally, man had an inherent demand to live independently and develop himself. However, people's independent aspirations and demands vary, and they cannot be satisfactorily achieved by the people themselves. People's independent demands and aspirations are defended and achieved when they are linked with the common demands and interests of the sociopolitical collective.

The leader [suryong] plays the role of the center that organizes and controls the life activities of a sociopolitical collective by uniting every man's independent demand and aspiration. The leader [suryong] embodies the basic demands and interests of the popular masses and analyzes, integrates, and unites them at the highest level. The leader [suryong] organically combines every man's different demand and interests with the collective's common demands and interests, and achieves them in a united way. In particular, the leader [suryong] becomes the center of the life that unites and manifests man's independent demand at the highest level, by founding and implementing the revolutionary ideology

that integrates the independent demands and aspiration of the popular masses.

The leader [suryong] is also the center that unitedly controls the creative activities of the popular masses to achieve independent demand. People's creativity to achieve their demands is not a character of the collective by itself, and it is not strong. Creativity becomes a character of the sociopolitical organism when it is manifested by the united strength of the social collective. Then, creativity will be strong.

The leader [suryong] is the center that unites and manifests the creativity of everyone who forms the sociopolitical collective. The leader [suryong] presents a correct line and policy for implementing the creative strength of the popular masses in a united way, and skillfully organizes and mobilizes the limitless strength and wisdom of the masses. The leader [suryong] establishes a revolutionary organization and makes it the foothold of unity, ties the people to the organization, and highly inspires their creative strength.

The great leader [widaehan suryong] builds the party — a revolutionary organization with a strong organizing ability. The party highly displays the limitless creativity and wisdom of the popular masses as the strength of one big social collective. Thus, a sociopolitical organism is formed when it has the leader [suryong] at its center, presents one independent aspiration and demand, and forms one solid and united body with a strong social strength.

The ideology and leadership of the leader [suryong] is the lifeline that unites and displays the people's independent demand and creativity, and gives the popular masses the appearance of a sociopolitical organism so that they carry out their life activities. Therefore, the leader [suryong] is the center of the independence and creativity of the popular masses, as well as the highest brain that unites and displays this independence and creativity.

The leader [suryong] is the center of a sociopolitical organism. Without the leader [suryong], its being and development is impossible. This was fully proven through actual practice in our revolution. In the past, our people did not have the life of the independent main force of history, and were forced to lead a miserable life as colonial slaves. Our people upheld the great leader [widaehan suryong] Comrade Kim Il-song as the center of the revolution and unity, became an independent main force of history, and were able to independently and creatively pioneer their destiny.

Today, our people uphold the great leader [widaehan yongdoja] Comrade Kim Chong-il as the center of

unity and cohesion and have become the strongest sociopolitical organism with invincible strength. The proud reality of our revolution and our fatherland proves that the strength of a sociopolitical organism depends on the greatness of the leader [suryong], and that the popular masses will be able to bear and glorify their life as the independent main force of the revolution when they uphold the great leader [widaehan yongdoja] as the center of unity and leadership.

South Korea

ROK Daily Views Dole's Stance on Issues of Concern to Seoul

SK1708142796 Seoul HANGUK ILBO in Korean
17 Aug 96 p 3 — Widely read daily newspaper

[Editorial: "Concern About the U.S. Presidential Election"]

[FBIS Translated Text] The Republican National Convention to nominate the party's presidential candidate has closed with candidate Bob Dole's acceptance speech. He had been 15 to 20 percent behind Clinton in polls; now that the convention has closed, he reportedly is now less than 10 percent behind. This means the Republican Party's promises to boost the national economy by cutting taxes and to make the United States remain a global leader are persuasive to Americans.

Our concern over the U.S. presidential election focuses on the two presidential candidates' policies regarding the Korean peninsula, trade, and minorities and immigration. This is because the Clinton administration's policies and the Republican Party's platform, which was disclosed during the national convention, are very different regarding those issues of concern to us. The platform of candidate Bob Dole and the Republican Party can be summarized as a "recovery of U.S. leadership by using strength." Also, their policy on security on the Korean peninsula calls for pressuring the Kim Chong-il regime until it gives in by using strength and strengthening the ROK-Japan alliance. They mean that the Clinton government's diplomacy designed to appease North Korea should end.

What has the United States got from North Korea, even though it has been carrying out the costly light-water reactor project and supplied large quantities of grain to North Korea? This is what the Dole camp is asking when it says the "appeasement policy is useless." In reality, North Korea has done nothing that may contribute to peace and stability on the Korean peninsula; rather it has picked fights and requested more concessions at each stage of the negotiations. It has also abrogated the Armistice Agreement and habitually perpetrated military provocations and made threats of

war. It has also assisted terrorism in the Mideast and exported weapons to this region, and it has not stopped perpetrating such illegal activities as drug trafficking and dollar counterfeiting.

The Republican Party states that it cannot bear to be a spectator to North Korea's irresponsible act of making light of the United States' generosity. It further says that just as the Republican administrations led by Reagan and Bush won the Cold War and the Gulf war, the United States must make North Korea surrender by using its economic and military strength.

Clinton has carried out diplomacy to appease North Korea in order to lead it to a soft landing by preventing it from developing nuclear weapons and provoking a regional war, and by preventing instability in Northeast Asia and an economic and political crisis that might be caused by North Korea's collapse. However, this diplomacy has led North Korea to turn further away from South Korea without achieving any success. Candidate Dole's policy toward North Korea, which is based on strength, brings us a sense of relief. Still, it is doubtful whether this is the perfect remedy that will bring peace and stability.

The trade and minorities policies of the Republican Party, which represents the conservative voices of the white middle class, forecast difficult days ahead for our trade diplomacy and the lives of Korean residents in the United States. It is important for us to firmly adhere to our diplomatic, security, and trade policies, regardless of who will be elected U.S. president.

ROK: Novelist Kim Ha-ki Returns to Seoul, Faces Questioning

SK1708094696 Seoul YONHAP in English
0937 GMT 17 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — Novelist Kim Ha-ki who was released by North Korea recently after entering the North from China under alcoholic influence, returned home Saturday afternoon aboard KAL flight 652 from Beijing.

"I am extremely glad to be able to return home. I am coming back with much excitement," Kim said at the Kimpo Airport.

From the airport, Kim was driven to a relevant security organization where he would be questioned on his entry into North Korea.

He told reporters at the airport that because he was under the strong influence of alcohol at that time, he has no idea what had prompted him to enter North Korea.

"But, it is true I have always been thinking that North Korea, too, is part of my homeland," he said.

Asked on which course he intruded into North Korea, Kim said he would speak of it after being questioned by a relevant office.

On his treatment in the North, Kim said the treatment was not good at first as the North mistook him for an agent. "But, after they learned I am a writer and I repeatedly asked them to return me to South Korea, the treatment changed," Kim said.

He said North Korean officials urged him to defect to the North, promising him a new wife and a chance to write about the Tangun tomb.

Kim said he was held in captivity at an inn in Hoeryong, the northeasternmost town of North Korea, throughout 15 days in the North and therefore couldn't see any in the North.

Kim disappeared from a tavern in Yanji, Jilin Province in northeastern China on the night of July 30 and North Korea soon thereafter said they were questioning Kim on illegal intrusion charges.

He was turned over to Chinese authorities on last Wednesday, which in turn handed him to the South Korean Embassy in Beijing Friday after taking 5,000 yuan in a fine for violating China's entry-exist control regulations. The fine was paid by the Korean Embassy for him.

ROK Prosecution Plans To Request Arrest Warrant for Novelist

SK1908012796 Seoul KBS-1 Radio Network in Korean 0000 GMT 19 Aug 96
— State-run radio of the ROK

[FBIS Translated Text] The Public Security Department One of the Seoul District Court plans to request an arrest warrant on 19 August for novelist Kim Ha-ki, who entered North Korea and was forcibly repatriated, for contravening the National Security Law.

The prosecution has stated that judicial treatment for Kim is unavoidable as his entry into the North is clear, though he stated that he had made the entry under the influence of alcohol.

Kim Ha-ki was caught by the North Korean public security authorities when he crossed over into North Korea while having drinks with other writers in Yanji, the PRC, on 31 July; he was then deported by the North.

He was detained upon his return home on 17 August.

ROK: Novelist Arrested for Violating National Security Law

SK1908103896 Seoul YONHAP in English 1032 GMT 19 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP) — Kim Ha-ki, a writer who has recently returned home after unlawfully entering North Korea from China, was placed under arrest Monday for making pro-North Korean activities during his fortnight stay in the North.

The novelist was charged with violating the National Security Law.

Sources at the prosecution and Agency for National Security Planning (NSP) said Kim is suspected of having entered North Korea on purpose despite his allegation that he waded across the Tumen River into the North under strong alcoholic influence.

Normally Kim harbored the belief that North Korea, too, is "part of the homeland," the sources said.

It was also found, they said, that in the North he readily cooperated with North Korean authorities by reading the seven-volume "With the Century," a Kim Il-song memoir, and making a comment favorable to the author.

Prior to his return to China on Aug. 14, moreover, he visited the birth place of Kim Chong-suk, the mother of Kim Chong-il, the sources said.

"The writer thus actively cooperated with the North and in return he was presented with North Korean clothes, liquor and cigarettes," a source said.

As for the motivation of his entry into the North, Kim told North Korean investigators that he wanted to meet some North Korean writers and Yi In-mo who was repatriated to the North in 1993 after many decades of imprisonment in the South, the sources said.

ROK: DPRK Issues Guide Book for Investing in Najin-Sonbong Area

SK1408132496 Seoul CHOSON ILBO in Korean 12 Aug 96 p 9

[Article by reporter Kim Yon-kwang]

[FBIS Translated Text] The North Korean External Economic Cooperation Promotion Committee, with Kim Chong-u as chairman, has recently issued a "Booklet of Questions and Answers For Investing in the Najin-Sonbong Free Economic and Trade Zone." Following is a gist of the important parts contained among the 200 questions and answers.

[Question] Is it possible to engage in processing on commission business with a North Korean enterprise outside the free economic and trade zone?

[Answer] It is possible, but the amount of processing on commission should not exceed 40 percent of the total production.

[Question] What are the special benefits for investment?

[Answer] Enterprises that will be in operation for 10 years or longer will be exempt from paying corporate income taxes for three years, beginning from the year the enterprises begin to earn profit, with an exemption of up to 50 percent for two years thereafter. In particular, enterprises that invest over 60 million won for infrastructure construction will be exempt from paying corporate income taxes for four years, beginning from the year they begin to earn a profit, with an exemption of up to 50 percent for three years thereafter.

[Question] Will there be any possibility of the government nationalizing foreign-invested enterprises?

[Answer] In such circumstances as natural disasters and a change in the national land construction plan, the government can nationalize or withdraw foreign-invested enterprises. However, the enterprises will be given appropriate compensation.

[Question] Is there any set ratio for the compulsory export of the goods produced?

[Answer] There is no law that provides for such an obligation. Foreign-invested enterprises can sell their products in the Republic if they are imported for domestic use.

ROK: Russian Weekly on Kim Il-song's, Kim Chong-il's Women

SK1408112496 Seoul KBS-1 Radio Network
in Korean 0900 GMT 14 Aug 96

[YONHAP report from Moscow]

[FBIS Translated Text] While revealing Kim Il-song's and Kim Chong-il's liking for women, the Russian weekly OGONEK criticized that different worlds exist between the leader [suryong] and the people in North Korea.

In its recent edition distributed today, OGONEK revealed that Kim Il-song concentrated on having relations with various women because he was disappointed in the collapse of the chuche idea; Kim Chong-il stationed 30-40 beautiful young women at 80 of his official residences spread throughout the country.

The weekly said that after serving Kim Chong-il, and when they reached 25 years in age, these women were

married off and left his residence. In addition, these women and their husbands are guaranteed a living by the North Korean authorities.

The weekly added that Song Hye-rim, who was the focus of attention after its being rumored that she defected to the West, was one of these women.

ROK: Inter-Korean Linguists Agree on Use of Hangul in Computers

SK1408115196 Seoul YONHAP in English
1122 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — South and North Korean and Chinese experts on the Korean language on Wednesday adopted a uniform computer terminology in Korean and three other plans on the use of Hangul, Korean alphabets, in computer.

A source at the Korean Language and Information Society said the agreement was made at the 3rd International Seminar on the Use of Korean Language in Computer held in Yanji in northeastern China on Aug. 12-14 under the auspices of the Jilin Province Yanbian Science and Technology Association of China.

The three other uniform plans agreed were those on keyboard arrangement of Hangul, the order of Hangul arrangement and the use of codes.

The 3rd annual seminar was attended by 69 delegates — 27 from South Korea, 19 from North Korea, 21 from China and one each from Japan and the United States.

The South Korean delegation was headed by Prof. So Chong-su of Hanyang University, and the North Korean team by Choe Ki-yong, chief secretary of the Central Committee, General Federation of Science and Technology of North Korea.

ROK: Yeltsin Sends Congratulatory Message for Liberation Day

SK1408091896 Seoul YONHAP in English
0741 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — Russian President Boris Yeltsin sent a message Wednesday to President Kim Yong-sam through the South Korean mission in Moscow to deliver congratulatory remarks on the liberation day which falls on Thursday, Foreign Ministry Spokesman So Tae-won said.

Yeltsin said in the message that liberation day is also observed in Russia in memory of the Russian soldiers who fought against Japanese soldiers during World War II.

The Russian president called for the continued development of a constructive partnership between the two

countries to contribute to peace and stability in north-east Asia as well as on the Korean peninsula.

ROK: PRC Autopsy Fails To Reveal Cause of Kin Employee Death

SK1908042496 Seoul KBS-1 Radio Network in Korean 0300 GMT 19 Aug 96
— State-run radio of the ROK

[Report from Beijing Correspondent Choe Chang-kun]

[FBIS Translated Text] Unlike previous reports, the cause of death of Pak Pyong-hyon, who headed the Kia Training Institute who was murdered in Yanji, Jilin Province, the PRC, is now known not to be the result of a toxicant.

The ROK Embassy in the PRC stated that PRC public security authorities informed them on 18 August of a preliminary autopsy result stating the autopsy showed no signs that Pak had died from toxic chemicals.

The embassy added, however, that the public security authorities in Yanji have failed to determine the precise cause of death, so they decided to extract a sample of his corpse and run a minute tissue test on it.

ROK President Briefed on Demonstrations, Other Issues

SK1708030696 Seoul YONHAP in English 0301 GMT 17 Aug 96
— Semi-official news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — President Kim Yong-sam was briefed on reports of the violent student demonstrations and other recent developments both at home and abroad at a meeting of his senior staff members that the chief executive chaired Saturday morning.

Administrative Senior Secretary Shim U-yong reported that some 1,100 students are still confronting riot police at Yonsei University and that police would track down all those who played leading roles in the violent demonstrations for prosecution.

In his report on the murder of Kia Motors Co. Director Park Byong-hyon in Jilin Province, China, Senior Secretary for Foreign Affairs Yu Chong-ha said that Park's family has requested that Chinese authorities conduct an autopsy of the body in the presence of a South Korean doctor, adding that Chinese law enforcement authorities are looking into the case.

The Foreign Ministry has taken safety measures for members of diplomatic missions overseas and their families and South Korean travelers abroad, he added.

ROK: Police Mount Another Raid on Yonsei Campus 17 Aug

SK1708072396 Seoul YONHAP in English 0715 GMT 17 Aug 96
— Semi-official news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — Riot police stormed into the Yonsei University campus in western Seoul for the fourth straight day Saturday to round up rallying hardcore student activists.

When about 11,000 policemen charged into the campus around 11:30 AM, there were some 1,100 diehard student demonstrators who resisted charging police with steel pipes and fire bombs.

As the police were moving in, students set fire to their makeshift barricades and retreated into school buildings and nearby hills.

The police rounded up 345 students on Friday alone to bring to 1,437 the number of the students carried away since demonstrations began on Aug. 12. Of them, 19 were placed under arrest and the police plan to seek arrest warrants against 23 others soon.

As the police operation was going on, dissident organization members joined by about 1,000 students were demonstrating in the Sinchon and Tonggyo-tong areas beginning 2 PM Saturday, protesting what they called "too harsh police actions."

The police pulled off a tight cordon around the campus at 0:30 AM [as received] Saturday letting more than 2,000 students slip out of the campus. But, about 1,100 hardcore members of Hanchongnyon or the Federation of University Student Councils remained, demanding a formal safeconduct for all the students in the campus.

A police source said that as of early Saturday morning, 608 policemen were injured, saying there is no way to determine the number of injured students.

ROK Prosecution Examines Whether Hanchongnyon Benefits Enemy

SK1708024596 Seoul YONHAP in English 0236 GMT 17 Aug 96
— Semi-official news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — Prosecutors are looking into whether Hanchongnyon [South Korean Federation of University Student Councils], an umbrella organization of university student councils across the country, can be defined as a group doing "acts benefiting the enemy" which are construed as a crime under the National Security Law.

The prosecution has set out in search of leading figures in the organization, who have reportedly orchestrated the militant student demonstrations in and out of Yonsei University.

A public security officer of the prosecution said that Hanchongnyon outwardly takes the form of a representative organization of 169 student councils across the country but that it should actually be defined as a group committing acts of benefiting the enemy under the direction of "some radical activists."

"From the legal point of view, it is in practicality difficult to define it as an enemy-benefiting organization," he said. Clarification of the issue can only be made after full inquiries are done into various factors such as whether the 52 "non-activist" member councils of Hanchongnyon joined the organization despite their knowledge of its platform and line of action, he added.

The prosecution has tentatively decided that some, if not all, subordinate bodies of Hanchongnyon are doing some enemy-benefiting activities and is pressing for the arrest of 36 key players, including Chong Myong-ki, president of Chonnam University Student Council and now the chairman of Hanchongnyon. An arrest warrant has already been issued for Chong.

The subordinate bodies which the prosecution considers as enemy-benefiting are the Policy Committee, Central Executive Council, Standing Executive Council, Campus Deregulation Promotion Committee, Organizing Committee and Solidarity Committee, which altogether comprise some 100 members.

Defined as "enemy-benefiting" organizations by the prosecution thus far are the Southern Headquarters of Pominnyon [National Alliance for the Country's Reunification], Pomchonghangnyon [National Alliance of Youth and Students for the Country's Reunification] and the Hanchongnyon Fatherland Unification Committee.

ROK Official: Hanchongnyon Controlled by Radical Forces

SK1708081596 Seoul YONHAP in English
0751 GMT 17 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — The prosecution on Saturday began investigating Hanchongnyon or the Federation of University Student Councils to see if the student organization isn't a body benefitting the enemy under the National Security Law.

Public security department of the Prosecutor General's Office intends to arrest all key Hanchongnyon leaders in the preliminary belief that all the Hanchongnyon offices blindly side with the cause of North Korea and their

activities pose a much threat to national security and public order.

"Outwardly Hanchongnyon is a federation of 169 university student councils across the country. In reality, however, it is controlled by some radical dissident forces and engages in enemy-benefiting activities," a prosecution official said.

He confided that his prosecution intends to take the occasion of the demonstrations at Yonsei University to disintegrate Hanchongnyon altogether by taking legal actions against all the Hanchongnyon leaders who, he said, had instigated innocent students into staging all sorts of violent and enemy-benefiting activities.

On the list of the wanted Hanchongnyon leaders are 50 to 60 key members of Hanchongnyon's Unification and Policy Committees known to have been behind the recent demonstrations.

They are in addition to the 36 top Hanchongnyon leaders including Chairman Chong Myong-ki, student council president of Chonnam University, against whom advance arrest warrants have already been issued.

ROK Premier Urges Demonstrators To Disperse, Vows Leniency

SK1908111896 Seoul YONHAP in English

1109 GMT 19 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP) — Prime Minister Yi Su-song urged demonstrating students Monday afternoon to disperse forthwith, promising that the government would show leniency toward simple participants.

In a statement, Yi said maximum magnanimity will be given to simple participants this time only though masterminds and radical participants will be ferreted out to the end for rigid legal actions.

"I hope that those young people who are still demonstrating or rallying will end their actions right away, thinking coolly which of their behaviors could contribute to national interests," Yi said.

The educator turned premier said that the young persons involved have committed a grave crime by siding in consequence with North Korea and resorting to violence.

"Nonetheless, we take into account the fact that they, too, are our valuable citizens and children," he said. "I heartily expect that the demonstrating students will make a wise and rightful decision."

ROK Police 'Will Use Firearms' Against Violent Demonstrators*SK1908120796 Seoul YONHAP in English
1155 GMT 19 Aug 96**— Semiofficial news agency of the ROK***[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP)**

— The police will use firearms against those radical demonstrators who use fire bombs or steel pipes against police, the country's top police officer said Monday.

Pak Il-yong, chief of the national police, told a press conference, "if necessary, the police will use firearms in accordance with the law on police duty performance."

He said the police have so far refrained from using firearms, but student demonstrations are growing fiercer. "Their demonstrations have reached a point where if left unchecked, they would shaken the nation's statutory order from the root," he said.

The police chief denounced the demonstrating Hanchongnyon (Federation of University Student Councils) students for using such lethal tools as fire bombs and steel pipes against duty-performing policemen.

"Their acts amount to denying the liberal democratic system and trampling down upon the social order," he said.

In the future, he said, two rounds of blank and three rounds of live pistol ammunition will be issued to each riot policeman mobilized to quell demonstrations.

"The police will be authorized to open fire if demonstrators, armed with fire bombs and steel pipes, are found to frontally challenge the proper duty performance by the police," he said.

Regarding the students who were rallying for the eighth straight day Friday at Yonsei University, Pak said the police would rigidly deal with masterminds and radical demonstrators.

"But, we have decided to show leniency toward those simple participants who give up by themselves or repent for their actions," he said.

The police chief said his police do not need to consult with other government offices on the use of firearms. "Use of firearms is provided for by the law on police duty performance," he said.

Asked if all the policemen at scenes of demonstrations will be issued firearms, Pak said he would see to it that only career policemen, not combat or conscripted policemen, will be provided with firearms and ammunition though, he said, the scope of firearms issuance will be determined on a case-by-case basis.

He said firearms will be fired at policemen's own discretion when there is the danger that demonstrators armed with fire bombs, etc. are apt to inflict fatal physical harms to them.

ROK: Hanchongnyon Dismisses Premier's Call, Vows To Fight On*SK1908125396 Seoul YONHAP in English
1246 GMT 19 Aug 96**— Semiofficial news agency of the ROK***[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP)**

— Defying the government offer for leniency, Hanchongnyon (Federation of University Student Councils) vowed Monday evening to fight to the end.

"Since the remarks by the prime minister and police director would only serve to aggravate the situation, we cannot accept them and will fight to the end without backing down," a Hanchongnyon spokesman said.

Meeting with the press, Pak Pyong-on, president of Yonsei University Student Council and spokesman for Hanchongnyon, said the government decision on leniency toward simple participants and harsh punishment of masterminds shows no difference from the existing government policy.

"The decision only completely turns a deaf ear to our student demand," Pak said.

Regarding the police chief's remarks on use of firearms, the Hanchongnyon spokesman said no regime in the past had ever used firearms against student demonstrators with the sole exception of the Kwangju incident of 1980.

"The only solution available will be for the police to withdraw from the campus and for our students to proceed to the Sinchon subway stations under professors' escort so that we could go home safely," he said.

Pak added that the Hanchongnyon leadership does not consider giving themselves up before the police because if it does, it amounts to admitting to Hanchongnyon being an "unlawful organization."

ROK Editorial Blames Trade Deficit on Fall in Competitiveness*SK1508003296 (Internet) The Digital Chosun Ilbo
WWW in English 1211 GMT 14 Aug 96***[Editorial: "To Cope with \$15 Billion Deficit"]**

[FBIS Transcribed Text] The new economic team will not be able to find a brilliant resolution to Korea's balance of trade deficit because although the current trade deficit seems to be a result of the deterioration of the trade environment, it is in fact, a reflection of the

structural deterioration in the competitiveness of Korean goods.

Since the late 80s, our economies' fundamental competitiveness has been continuously declining with only slight fluctuations. Yet industry and government overlooked this trend due to the unexpectedly strong Japanese yen at the beginning of the 1990s, which served to conceal our drop in competitiveness and the structural inefficiencies of industry.

Because of this, there is little possibility, at least for the next several years, to reverse the accumulation of the trade deficit. Our main commodities for export such as semiconductors, steel, automobiles, ships, and petrochemicals are very sensitive to changes in the world market and susceptible to large price fluctuations. Domestically, these commodities were monopolized by big businesses leading to a very inelastic supply situation.

Therefore, reverting to policies to control price competitiveness and foreign exchange as in the early era of Korea's development process would be a costly, unwise choice. Considering the world trade environment, it seems that only the U.S. is exhibiting signs of economic recovery, leading therefore to the difficulty in confirming the efficacy of a special export support policy under these circumstances.

The situation regarding the falling yen and the rising of won is expected to be stabilized in the latter half of this year. This in addition to the expected stabilization of the demand for private investment increases the possibility that the trade balance may gradually become more adjusted. The problem is that it takes time and concentrated policy efforts. A gross demand control policy, which is essential to reducing the current trade deficit, is likely to further slow down the domestic economy.

Therefore, it is desirable that the trade balance be improved on the basis of improving the structural competitiveness policy and our high cost structure. We must also continue general demand stabilization in parallel with developing a healthy consumption policy aimed at reducing the gap between savings and investment.

ROK: New Health, Welfare Minister Discusses Policies

SK1408144096 Seoul MAEIL KYONGJE SINMUN
in Korean 9 Aug 96 p 4

[Article by reporter Yi Song-won]

[FBIS Translated Text] "Regarding the dispute between oriental doctors and pharmacists, I shall exercise policies that maintain the consistency of the current policy."

Yi Song-ho, newly-appointed minister of health and welfare, visited the correspondents' room of the New Korea Party on 8 August following the announcement of the cabinet reshuffle, then held a news conference. He revealed his impressions on joining the cabinet and on his future ambitions.

The newly-appointed Minister Yi, who consistently maintained a bright face during the briefing, said: "The health and welfare administration deals with a wide range of fields directly linked with our people's daily life. Enhancing the quality of life is most important in becoming the world's first class country in the 21st century. Thus, I will do my best to improve the people's health and welfare."

In connection with the recent dispute between oriental doctors and pharmacists, which is having repercussions as a social issue, he said: "The government's policy is based on the law. Since the policy is being promoted according to the pharmacist law, I will maintain the policy."

When questioned about whether he is willing to request the Ministry of Education save the Oriental Medicine College where students face having to collectively stay back one year or be expelled, Minister Yi revealed: "I do not yet have an accurate evaluation of this problem. I will maintain consistency in accordance with my predecessor's policy."

Minister Yi also showed his composure by saying: "It seems I have been given the opportunity to serve as minister of health and welfare for a second time because I acted in accordance with my maxim, which is to do my best in the work I am entrusted with."

Minister Yi revealed: "I received personal news of my entry into the cabinet from President Kim Yong-sam at around 1600 on 7 August. Since the health and welfare administration is closely linked with the people's lives, there will be many tasks to fulfill."

Minister Yi also stressed: "It is a fact that policy was promoted for growth; thus, the welfare sector lags relatively behind. From now on, growth and welfare must be assessed from the same concept. By doing so,

it will be possible to enhance the people's quality of life one step further."

ROK Editorial Cites Problems in Vice Ministerial Appointments

SK1508003196 (Internet) The Digital Chosun Ilbo
WWW in English 1210 GMT 14 Aug 96

[Editorial: "Disappointing Vice-Ministers Appointments"]

[FBIS Transcribed Text] There are two problems in the recent appointments of the vice-ministers. The first one is that it does not consider expertise and second, it still did not get out from certain regional favoritism. For several ministries following the last ministers' appointments even the vice-ministers were appointed by non-experts. For the police, beginning with the chief of the National Police Office and his vice-chief and even the Marine Police Office were appointed with people from PK (Pusan-Kyongnam) so a new word was created of "PK police."

The appointment of the government officials, including the minister and vice-ministers is the coherent right of the president. But the right is supposed to be mandated by the people so he should be impartial and free from arbitrariness.

But in this case, among the nine posts to be filled, four has no experience in their area of appointment

and four were from PK especially for Ministry of Marine Affairs following the National Assemblymen who had been in this field as its minister [sentence] bureaucrat from the Finance Ministry vice-minister beyond common sense. of National Reunification, the former was judged as doing his work very well by a secretary from the presidential office. former experience in this field.

It is more questionable to the appointment of police leadership despite the criticism of monopolizing the central part of power by prosecutors, tax office, and police. PK [sentence] appointed to vice-chief of the National Police Office and the chief of the Marine Police Office. In this, the more questionable thing is a person relieved from office in relation to involvement in son's illegal entrance of university and taking bribes in last February's Sea F [sentence] incident.

Maybe it is too much criticism the opposition is a typical favoritism at the end of the term according to local, academic, and personal [sentence as received]. At least, it is a denial that they are appropriate appointments in dispute.

Burma

Burma: SLORC's Than Shwe, Party Return from Malaysia Visit

BK1608145796 Rangoon Radio Myanmar in Burmese
1330 GMT 16 Aug 96

[FBIS Translated Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC], and his wife Daw Kyaing Kyaing, returned to the Yangon [Rangoon] International Airport on a special aircraft at 1620 today after having paid a goodwill visit to Malaysia at the invitation of His Majesty Tuanku Ja'afar Ibni Almarhum Tuanku Abdul Rahman and Her Majesty Tuanku Najihah Binti Almarhum Tuanku Besar Burhanuddin, the king and queen of Malaysia.

They were welcomed at the airport by General Maung Aye, SLORC vice chairman, Defense Services deputy commander in chief, and Army commander in chief, and his wife; Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, deputy prime ministers; SLORC members, cabinet ministers, and their wives; deputy minister of foreign affairs, senior Defense Services officers, Mr. Stuart Hamilton Rawdon Hume, acting dean of the Diplomatic Corp and the Australian ambassador; ambassadors, charge d'affaires of the foreign missions, and their wives; and Mr. Kennedy (Jawan), charge d'affaires of the Malaysian Embassy, and his wife.

Burma: Than Shwe, Wife Review Visit to Malaysia

BK1708123696 Rangoon Radio Myanmar in English
0700 GMT 17 Aug 96

[FBIS Transcribed Text] The chairman of the State Law and Order Restoration Council [SLORC], Senior General Than Shwe, and Madame Than Shwe issued a departure statement following their state visit to Malaysia.

The statement reads: At the invitation of Their Majesties, the Yang Dipertuan Agong [Paramount Ruler] and the Raja Permaisuri Agong [Queen], His Excellency Sr. Gen. Than Shwe, chairman of the SLORC of the Union of Myanmar [Burma], and Daw Kyaing Kyaing paid a state visit to Malaysia from 12 to 16 August 1996. His Excellency Chairman Sr. Gen. Than Shwe and party were accorded a warm and cordial welcome by the Government and people of Malaysia reflecting the traditional ties of goodwill and understanding between the two countries.

While in Malaysia, the Myanmar [Burmese] goodwill delegation visited places of interest and industrial centers in Kuala Lumpur as well as in Penang. During the visit, His Excellency Chairman Sr. Gen. Than Shwe was

received by His Majesty the Yang Dipertuan Agong. The two heads of states noted with satisfaction the continuing development of friendly ties between the two countries and expressed their common desire to further expand and consolidate the friendly contact existing between the two people.

His Excellency Chairman Sr. Gen. Than Shwe and the honorable prime minister, Datuk Sri Dr. Mahathir Mohamed, held cordial discussions during which the two leaders made an extensive review of bilateral, regional, and international affairs. His Excellency Chairman Sr. Gen. Than Shwe informed Honorable Prime Minister Datuk Sri Dr. Mahathir Mohamed about Myanmar's endeavors to attain the national goal of a peaceful, prosperous, modern, and developed state in accordance with its political, economic, and social objectives. He also expressed his thanks for Malaysia's support for Myanmar in international and regional fora, particularly with respect to Myanmar's efforts for integration into ASEAN.

Honorable Prime Minister Datuk Sri Dr. Mahathir Mohamed acquainted His Excellency Chairman Sr. Gen. Than Shwe with Malaysia's experiences and endeavors for national development and expressed the hope that the visit would facilitate in bringing about Myanmar's closer association with ASEAN. He also stated his desire to see ASEAN, encompassing all 10 Southeast nations, (?at) the Association's 30th Anniversary next year. Thus, fulfilling the visions of its founding fathers.

The two leaders noted with satisfaction the expansion and consolidation of economic and trade ties between the two countries and agreed to further strengthen bilateral cooperation in all fields. Both sides reviewed the international situation and agreed that the strengthening of regional cooperation can produce peace, stability, and prosperity of the individual nation as well as the region as a whole. They also shared the view that each nation has the right to choose the system best suited to its conditions.

His Excellency Lieutenant General Khin Nyunt, secretary-1 of the SLORC, also had cordial discussions with His Excellency Deputy Prime Minister Datuk Sri Anwar Ibrahim on promotion of friendly relations and cooperation between Myanmar and Malaysia. Minister for Foreign Affairs His Excellency U Ohn Gyaw, Minister for Transport His Excellency Lt. Gen. Thein Win, and Minister for National Planning and Economic Development His Excellency Brigadier General D. O. Abel, also met with their Malaysian counterparts.

The Agreement on Economic, Scientific, and Technical Cooperation was signed during the visit, thus, opening a new chapter in bilateral cooperation.

During the stay in Penang, the chairman of the SLORC met with His Excellency Tun Datuk Sri Dr. Haji Hamdan bin Syed Zahir, governor of Penang, and also discussed investment and trade promotion matters with the chief minister, Honorable Tan Sri Dr. Koh Tsu Koon.

His Excellency, the chairman of the SLORC, Sr. Gen. Than Shwe, expressed his heartfelt thanks and appreciation to the government and people of Malaysia for the warm welcome and gracious hospitality extended to him and his party.

He also extended invitations to Their Majesties, the Yang Dipertuan Agong and the Raja Permaisuri Agong, and to the honorable prime minister, Datuk Sri Dr. Mahathir Mohamed, and Datin Sri Dr. Siti Hasmah to visit Myanmar at a mutually convenient time. The invitations were accepted with pleasure.

Burma: Interview With NLD Vice Chairman Tin U
BK1708141896 (Internet) BurmaNet News in English
15 Aug 96

[Interview with U Tin U, vice chairman of the National League for Democracy, by an unidentified BurmaNet correspondent in Rangoon in late May]

[FBIS Transcribed Text] Q: How did you get involved with the NLD [National League for Democracy]?

A: I was no longer in the army. I was involved in Buddhist meditation, leading a quiet life. After the March, 1988 events, some colleagues came to my house and asked why former military staff weren't participating in the demonstrations. They urged me to participate. So I discussed it with U Aung Shwe. Everyone told me that I was close to the military so I should lead. So I started a group. We saw it as our second struggle for freedom (the first being for independence from Great Britain). We had to restore our rights.

U Aung Oyi, Daw Aung San Suu Kyi and I each led separate groups. Because of the urging of other people, we met together. I went to see Daw Aung San Suu Kyi, and it touched me a great deal. I found her to be very similar to her father, very able. I saw that she could lead the whole movement. So at the end of August, after 8-8-88, we decided to join together.

U Aung Shwe was the chairman of the Patriotic Comrades League and I was the deputy chair[man]. When U Aung Oyi, Daw Aung San Suu Kyi, and I joined together to form the NLD, U Aung Oyi was the chair[man], I was the vice chair[man], and Daw Aung San Suu Kyi was the general secretary. Later U Aung Oyi left, and I became the chair[man] and Daw Aung

San Suu Kyi was still the general secretary. There was no vice chair[man] at that time.

Q: Could you describe your activities between 1988-90?

A: I traveled with Daw Aung San Suu Kyi and U Kyi Maung campaigning. Sometimes all three of us went together. Sometimes just two of us went.

Q: What did you do after the election in 1990?

A: I was imprisoned for three years. I was charged with: 1. having correspondence with foreign leaders — high treason; 2. trying to split the army; 3. actions seditious to the government.

During the trial I was not allowed the right to cross-examine or produce any witnesses. When I talked, I was told to sit down. It was a martial law court, and I could only enter a plea. I pleaded not guilty. When I was asked what I had to say about my punishment, I said I was not trying to split the army. I love the army and the people. I received a three year sentence.

After I served two years and a few months, I thought I would be released soon. But then I was sent to another court and charged again. They said my water festival speeches (from before being jailed) were seditious. I pleaded not guilty. I also told them that they could not charge me twice with the same charge. Also, according to the law, they must combine the charges within 12 months, and now it is too late.

The court was stunned. They recessed. Then they came back and said, "this is a martial law court and we can do whatever we see fit". I was sentenced another seven years, but released sooner. I served a total time of more than four years.

I met Daw Aung San Suu Kyi the night she was released (from house arrest). All the leaders came and we agreed that we must continue our work.

Q: What are your specific duties in the NLD?

A: I am responsible for peasant affairs and organizational matters, and I lead the legal aid committee.

Q: Can you describe the duties of the other senior NLD members?

A: U Kyi Maung is responsible for research, trade/commercial/economic policy, and information. Daw Aung San Suu Kyi takes care of human rights, youth, and women's affairs. U Than Htun (an NLD Executive Committee member) is responsible for labor and workers. He was the secretary for labor in the democracy period (1948-62). U Soe Myint, an NLD MP, was the secretary for peasant organizations during the democracy period. Now he is helping with peasant affairs.

Originally there were four NLD MPs who were secretaries during the democracy period. Now two are dead or disabled, and two remain.

No one is ambitious about their posts. We are too old. I am 70, and U Aung Shwe and U Kyi Maung are 78.

U Win Htein is Daw Aung San Suu Kyi's personal assistant. (he was arrested a few days before this interview and has not been released). He handled correspondence and day to day matters. He was from the military clique. When Daw Aung San Suu Kyi was about to go to upper Burma (during the election campaign), she needed a liaison between the military and the people. She chose him. He was in the Army Research Department, and he is brilliant. During his training in the military academy, he got the awards for best cadet, and best literature. He gained all three top prizes.

He was dismissed from the army at the same time as me. He was displeased with the military administration. He thought they were unjust to me (for sacking me). He met with me, and the army didn't like it, so the army sacked him too.

U Win Htein is more senior than most of the present regional commanders, so he can deal with them. He helped write some of the NLD policy papers. The Executive Committee gives the policy guidelines, and he writes out the papers and resubmits them.

U Aye Win is the liaison officer for foreign correspondents and embassies. (He was also arrested in late May and has still not been released.)

U Win Htein's wife handles monastery affairs and household management. She helps with domestic duties in the compound.

Now I am taking some of Win Htein's work. I am reading the papers, briefing Daw Aung San Suu Kyi, and discussing policy with her.

Q: Can you explain how the role of the military has evolved in Burma?

A: After the war (WWII), the British took over again and the Burma Army was formed. The army was still aloof from politics. The people had no fear at all. As long as they obeyed the law, there was no interference. The courts and executive (branch) were free and separate. Gradually, these separate powers became unified under [No.] 1 man (Ne Win).

Than Shwe [chairman of the State Law and Order Restoration Council, SLORC] doesn't know the virtues and value of parliamentary democracy. He was regim-

mentally trained in a one party system. They (the army) can't formulate how to proceed with democracy.

If they dare to proceed, the people will love them again. We will never have reprisals (seek revenge against the SLORC). This sort of thinking must be stopped. I don't like the principle of South Korea or Albania (where the former military leaders were later tried and sentenced).

The military since 1988 is so different from before. They are enjoying their wealth so much now. They are frightened and don't want to lose what they have.

Q: Can you describe the different branches of the military?

A: The infantry is always supreme. All three services are combined under the commander of the infantry who always becomes the chief of staff.

There is only 1 chief of staff, the others (air force, navy) are only vice chiefs of staff. But the government gives prestigious jobs to the air force and navy too. There is no split between different units in the military. They are united.

In 1958, (after U Nu, the prime minister, handed over power to General Ne Win to form a caretaker government), the army formed a solidarity organization in order to get law and order. This organization gave support to the party which the army liked. The people didn't like it, so (in 1960) the people voted for the other side — U Nu's party. He won a landslide victory.

Now the SLORC is trying the same thing. If you enroll in the USDA (Union Solidarity and Development Association), you get privileges — money, work. At the village level, you are allowed to have a fish pond. They are trying to get solidarity through privileges. If there are no privileges, then they would have no support. They don't have the people's will. In 1958 and 1959 there was a lot of pressure too. There were forced rallies with slogans just like now. Now if you are in the government and don't go, you don't get a promotion.

Every time they make the people shout the slogan "lackeys of the West" or "neo-colonialists", the people think. They understand. The West is very far away. The people realize the real danger is nearby from the East — China.

Military personnel cannot meet NLD people. They will be interrogated immediately if they do. The Ministry of Home Affairs listens, writes, reports, and discusses the weekend speeches (by Daw Aung San Suu Kyi, U Tin U, and U Kyi Maung). If there is an infringement of the law, the SLORC can arrest them. The ministry looks for infringements in the speeches.

The SLORC is closely watching other countries. The pressure is very good. Not only the West but also Japan and Thailand. We are very happy about Thailand. (After the arrests of NLD MPs in late May, the Thai Foreign Ministry came out with a statement critical of the SLORC.)

NLD policy is: no violations, no demonstrations, never again as in 88. This is definitely shunned. We must follow the traffic light. If there is any sign for green, we push through. If yellow, we are careful. If red, we have to consider how to proceed.

Q: Can you comment on NLD relations with the various ethnic groups in Burma?

A: We welcome cease-fires. Cease-fires are good, but there must be a political solution. We denounce armed activity as a political instrument. The groups can determine their destiny for themselves, have autonomous states, after discussion with all the groups. Let's sit down and talk.

Burma: Public Support for Military Government Noted

BK1708095396 Rangoon MYANMAR ALIN
in Burmese 16 Aug 96 p 4

[Article by Yebaw Tarti: "The People's Spirit, the People's Strength"]

[FBIS Translated Text] [Ko Waing] Ko Aung.

[Ko Aung] Yes.

[Ko Waing] I would like to ask you a question.

[Ko Aung] Please, I will try my best to answer it.

[Ko Waing] I have been studying the leading reasons for winning a war.

[Ko Aung] Yes.

[Ko Waing] It says one of the reasons is to change one's position with ease.

[Ko Aung] Yes.

[Ko Waing] I am confused because on one hand it talks about firmness and on the other hand it talks about flexibility. Do you not think that firmness and flexibility contradict each other?

[Ko Aung] Ko Waing, I think you are confused probably because both firmness and flexibility are intertwined in this case.

[Ko Waing] Please explain.

[Ko Aung] The thing that has to be precise and firm is the objective.

[Ko Waing] Yes.

[Ko Aung] The position must be able to change easily.

[Ko Waing] Right.

[Ko Aung] That is why firmness and flexibility do not contradict and cancel each other here.

[Ko Waing] U Ko Aung, please explain by giving some real examples.

[Ko Aung] The reasons for fighting a war concern the need to win. As you know, a war is a way of resolving a political problem.

[Ko Waing] Yes, you are right.

[Ko Aung] If there is a precise and firm objective, then victory will prevail. Without a precise and firm objective victory can never prevail.

[Ko Waing] Absolutely.

[Ko Aung] The British colonialists bullied Myanmar [Burma] and its people and colonized the country in 1885. They took away King Thibaw and enslaved the whole of Myanmar.

[Ko Waing] You are right.

[Ko Aung] For generations, Myanmar [Burmese] people patriotically strove for independence. Although Myanmar people defied and revolted against the ruling British Government, they were defeated and failed for 60 years to create a country that was ruled by Myanmar people.

[Ko Waing] Yes.

[Ko Aung] Many revolutionaries and martyrs revolted against the British all over Myanmar but to no avail.

[Ko Waing] Yes, there were uncountable, heartbreaking defeats.

[Ko Aung] The white faces [English] fled when the Myanmar Defense Services led by 30-youth comrades, who emerged from the Do Bama [We, the Burmese] Association, engaged in an armed struggle when the English were facing difficulties.

[Ko Waing] Yes, they fled without looking back.

[Ko Aung] Then the Japanese came in and they turned out to be worse than English.

[Ko Waing] Yes, you are right.

[Ko Aung] Then the Myanmar people revolted against and got rid of the fascists by joining with the allies.

[Ko Waing] It must have been really difficult.

[Ko Aung] It is not easy to liberate a country.

[Ko Waing] Absolutely.

[Ko Aung] It is easy to enslave a country. Don't lose your concentration even for a second because the neo-imperialists have pretentiously set up their puppet and looking for an opportunity to pull the strings from behind the scenes. Do you know that?

[Ko Waing] Yes, I do. Our people are not that stupid.

[Ko Aung] You said you know about it, but there are people who are inviting [the neo-imperialists] to come into our country and do whatever they want. It is like [a wife] handing a sword to a thief.

[Ko Waing] Nobody gives attention to these people.

[Ko Aung] It has been nearly 50 years since the country gained the independence. Looking at the former presidents and prime ministers who worked for the firm and enduring existence of this country down to the village headmen and those in charge of 10-households, you can see that some of them were good, some of them were bad, while some of them were clever, and some of them were not so clever.

[Ko Waing] It was due to the various classes, statuses, and eras.

[Ko Aung] I would like to express my gratitude to the former leaders.

[Ko Waing] Why?

[Ko Aung] They did not enslave the country and the people.

[Ko Waing] I see.

[Ko Aung] As Thakins [Masters], they tried their best to defend and safeguard the country and the people.

[Ko Waing] Yes, you are right.

[Ko Aung] They worked for the perpetuation of national sovereignty.

[Ko Waing] Right.

[Ko Aung] They gradually healed the wounds of the national brethren that stemmed from various instigations and divisions under the imperialists and strove for national consolidation.

[Ko Waing] This process of national consolidation is most successful and obvious under the Defense Services government.

[Ko Aung] Yes, we must unconditionally recognize this. The Defense Services has accordingly shouldered the responsibility and put utmost efforts to safeguard the Union and to prevent it from disintegration until today.

[Ko Waing] Very good. The success has been achieved due to the cooperation from the public, whose intellectual understanding and perspectives have been profound.

[Ko Aung] With a new constitution, a new era and system will be established in the future.

[Ko Waing] A group of people who do not desire a new era and system are destroying these efforts in various ways. They are concerned that the country will be developed [under the Defense Services government].

[Ko Aung] I believe nobody can destroy these efforts.

[Ko Waing] Why?

[Ko Aung] The public is not dumb. They can differentiate between those who are constructive and those who are destructionists; those who are building and safeguarding the country and those who want to destroy the country and who want the country to be destroyed.

[Ko Waing] Are you sure?

[Ko Aung] You must respect the desires of the people. From the student youths to the professors and experts, all of them want the nation to be built.

[Ko Waing] Are you sure?

[Ko Aung] I am certain. Nobody will accept the disintegration of the country into pieces.

[Ko Waing] I am surprised to see some people who regard Myanmar as an idiotic nation and those who tell lies and want to pressure Myanmar so as to isolate it from the international community.

[Ko Aung] Yes. Throughout their lives, they have been making a living out of these lies. This wicked and foul group will end on its own.

[Ko Waing] We always have to be alert.

[Ko Aung] The people's support is an incomparable and essential strength and force for the existence of the country.

[Ko Waing] We shall overcome all strife.

**Burma: Drug Lord Khun Sa's Son Resists
Rangoon's Search Order**

*BK1808115096 Bangkok THAILAND TIMES
in English 18 Aug 96 p A1*

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak — The situation in Khun Sa's former stronghold Homong is reportedly tense after the drug warlord's son refused to have the houses of two former Mong Tai Army [MTA] leaders searched by Rangoon troops, a Thai military source.

The sources said Chao Charm Heung, Khun Sa's son and ex-officer in the now-defunct MTA, turned away a government team dispatched by Rangoon to inspect ex-MTA soldiers' houses in Homong.

Homong was the stronghold of Khun Sa's well-armed MTA troops in Shan state of Burma near Lao border until the drug lord's surrender to Rangoon in early January.

Chao's refusal reportedly angered the chief of the Burmese inspection team, said the source, adding the situation might lead to a confrontation between the ex-MTA and government troops, who have now taken over Homong since Khun Sa's surrender.

The Burmese ruling junta, the State Law and Order Restoration Council (SLORC), recently ordered its troops to search the houses of Chao Pha Lan and Chao Chor Meung following suspicions that a large stockpile of arms and ammunitions might be hidden there.

The SLORC troops discovered a large cache of arms and ammunitions earlier this month and heroin in July in servant quarters of Khun Sa. Since the takeover, Rangoon troops have destroyed a heroin refinery near Homong.

Khun Sa, whose whereabouts is still a mystery, was reportedly negotiating with Lt. Gen. Khin Nyunt, the SLORC intelligence chief, to mediate between the two sides over the matter.

The source said the Rangoon soldiers were trying to prohibit Chao Charm Heung's attempt to sell 5,000 pieces of processed timber to Thai traders, reasoning that the sales of timber would help to finance the re-arming of ex-MTA troops in Homong.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Turkey's Erbakan Visit Activities Reported

TA1708123896 Ankara TRT Television Network
in Turkish 1000 GMT 17 aug 96

[Mehmet Alkas video reform from Malaysia]

[FBIS Translated Text] Prime Minister Necmettin Erbakan has started his official contacts in Malaysia. An official welcoming ceremony for Erbakan was held in Parliament Square this morning. The national anthems of the two countries were played at the ceremony held by Malaysian Prime Minister Datuk Sri Mahathir bin Mohamed. After Erbakan inspected the honor guard, the national anthems were played a second time in accom-

dance with the local custom. The two prime ministers later held a two-hour meeting at the Prime Ministry. Later the Turkish and Malaysian delegations met behind closed doors. The two delegations were headed by the two prime ministers. A statement issued after the meeting noted that Erbakan said in the meeting that Turkey is determined to give a more comprehensive view to the already developing bilateral relations and to seek new fields of cooperation. According to the statement, Erbakan further noted that the development of bilateral relations will contribute to world peace and stability. Referring to the necessity of Turkish-Malaysian cooperation in the field of defense industry, Erbakan added that submarine and armored vehicle purchases are among the primary fields of cooperation. Erbakan added that the two countries might also cooperate in the fields of military electronics industry, optical equipment, ammunition production, and missile systems.

After the meeting, Erbakan was received by the Malaysian king. He later attended a luncheon given in his honor by Ferhat Ataman, Turkish ambassador to Malaysia. Erbakan later held a news conference and provided information on his meetings.

Noting that Turkey's exports to Malaysia amounted to \$100 million last year, Erbakan added that following the meetings, a decision was reached to increase this amount to \$1.5 billion. Pointing out that an agreement has also been reached on the two countries guaranteeing the mutual investments of Turkish and Malaysian businessmen, Erbakan added that Malaysia will be participating in the Turkish initiatives.

[Begin Erbakan recording] Both countries have a very large potential for cooperation in the field of military defense industry. During our contacts, the Malaysian prime minister told us that they will be purchasing some 700 armored vehicles from Turkey. They told us that a decision has been made on the issue. This is a significant step from the viewpoint of Turkish-Malaysian trade relations, as well as defense industry cooperation. They also want to purchase two submarines from us. Unfortunately, since this wish was not followed on during the previous term, the financing of this was not planned. Therefore, they promised that they will again be taking up this issue. [end recording]

Pointing out that there is a very strong organization for pilgrimages to Mecca in Malaysia and that everyone contributes to this pilgrimage fund, Erbakan said that the Malaysians expressed a wish to visit Turkey on their way back from Mecca. Erbakan added that significant steps will be made to realize this wish. He noted that the Malaysians want to be partners in the administration of the free trade zones to be established at the Trabzon and

Iskenderun Ports. Pointing out that Turkey is capable of supplying military training to Malaysian Army personnel and that Malaysia is capable of training Turkish bureaucrats, Erbakan added that student exchanges between the two countries will also be increased. He noted that the two countries can exchange various spare parts, including in aircraft and automotive industry, adding that a joint Asian Development Bank can be established to increase opportunities for cooperation. Erbakan said that investments in Turkic republics can be undertaken jointly through the support to be extended by this bank.

Erbakan said that Malaysia, which has extensive reserves, is also in need of a work force and that it will employ some 2.5 million foreign workers in the near future. He added that a great number of these workers might come from Turkey. Erbakan noted that Turkey's exports are expected to increase by some \$7 to \$8 billion through trade with Iran, Pakistan, Singapore, Malaysia, and Indonesia and added: Our trade deficit can be covered through this increase alone. He noted that joint chambers of commerce might be established in a bid to follow up on the cooperation with these countries.

Replying to reporters' questions on Cyprus, Erbakan said that the incidents were caused as a result of Greek Cypriot provocations.

[Begin Erbakan recording] It is because we have a very unfortunate neighbor. As long as our neighbor has such a temper, it will not be easy to establish tranquillity. It has not been easy. Can you imagine any person with common sense making such crazy attempts as attacking borders with motorcycles, climbing up poles and removing flags? This is the kind of neighbor we have. There is a piece of rock in the sea [referring to Kardak]. As you can see, they came and climbed on it and created incidents of international proportions. These provocations are continuing nonstop. This is a matter of temperament. A reasonable and normal nation does not resort to such things. While it is possible to get together and conduct all matters with the best possible cooperation, they are constantly rejecting every olive branch we extend and every proposal we make for an agreement and then engaging in unimaginable provocations. It is really very unfortunate for Turkey to be obliged to live alongside such a neighbor. We hope that, however, every problem has a remedy. God willing, a remedy to this will also be found. [end recording]

In reply to a question, Erbakan said that it is a known fact that the Turks in Western Thrace live under very difficult conditions and that the same temperament is manifested there as well. Noting that the Muslims in Western Thrace appoint their own muftis, Erbakan said

that Greece has interfered in this process by arresting an appointed mufti. He added: Come and have a look at how the patriarch is elected in Turkey. No one interferes in this process. They are free to choose whomever they wish. Look at the humanity we display and look at their behavior. Erbakan noted the principle of reciprocity on the issue of the Patriarchate in Turkey and the situation of the ethnic Turkish minority in Western Thrace as being stipulated in the Lausanne Treaty.

[Begin Erbakan recording] We abide by this agreement. They, however, violate this agreements. Just as they militarized the [Dodecanese] islands. It has become a habit for them to disobey the rules in every field and to engage in provocations. Of course, if you ask how they can do all this, the West is as much to blame because otherwise it would be impossible for Greece to dare commit such acts. Turkey's population is 65 million whereas Greece's population is 15 million. Our schoolchildren number as much. The Greeks are well aware that we are superior to them in all military fields, be it in naval, air, or ground forces. Their behavior is not that of an intelligent person. [end recording]

Erbakan said: God forbid, that anything would happens. It goes without saying that they will stand to lose from it. This is crystal clear. Noting that the injustices in Cyprus and Western Thrace will be eliminated as Turkey gets stronger, Erbakan said that the government is currently exerting efforts to strengthen the country in all fields.

Erbakan noted that following the reactivation of MED-TV, which transmits separatist broadcasts from the United States, the foreign Ministry has taken the necessary initiatives in that country. In reply to another question, Erbakan said that there are no disagreements between the coalition partners.

Malaysia: Mahathir Holds Talks With Turkey's Erbakan

BK1708105296 Kuala Lumpur Voice of Malaysia in English 0800 GMT 17 Aug 96

[FBIS Transcribed Text] Turkey has sought Malaysia's support in its application to participate in the Asia-Europe summit, ASEM. Foreign Minister Datuk Abdullah Ahmad Badawi said Turkish Prime Minister Prof. Dr. Necmettin Erbakan made the request to Prime Minister Datuk Sri Dr. Mahathir Mohamed at a meeting of the Turkish and Malaysian delegations today.

Dr. Mahathir stated that Malaysia will convey Turkey's wish to the relevant authorities. He said this at a briefing for reporters after the meeting in Kuala Lumpur.

The first ASEM was held in Bangkok in March. ASEM brings together the leaders of 15 countries of

the European Union, EU, and Asia, including ASEAN countries, China, Japan, and South Korea.

Abdullah said that discussions between the two leaders centered on efforts to further enhance bilateral cooperation, especially in the economic field. Abdullah disclosed that Dr. Mahathir and Dr. Erbakan had agreed to set 3.8 billion ringgit as the target for the volume of trade between the two countries. The trade volume between Malaysia and Turkey was 201 million ringgit in the first few months of the year. He said that they also identified fields to further upgrade cooperation between the two countries like the construction, defense, [words indistinct], and tourism fields.

Malaysia: Kuala Lumpur Agrees To Buy Turkish Weapons

BK1908075596 Kuala Lumpur THE STAR in English 19 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur: Malaysia has agreed to buy military equipment from Turkey, Datuk Sri Anwar Ibrahim said yesterday.

The Deputy Prime Minister said it was finalising details on buying equipment, including armoured personnel carriers (APCs), from Turkey.

"The likelihood is there but you have to ask the Defence Minister for details," he told reporters when asked if Malaysia intended to buy Turkish APCs.

Earlier, Anwar announced that Prime Minister Datuk Sri Dr Mahathir Mohamed had agreed to the "procurement of major military vehicles" after meeting Turkish counterpart Prof Necmettin Erbakan who is here on a five-day visit.

Anwar also said Defence Minister Datuk Syed Hamid Albar would visit Turkey in September.

"We think the defence industry in Turkey is advanced and matured and they are exporting their F-16s to a number of countries.

"They also have the capacity to manufacture submarines, armoured combat vehicles and frigates," he said.

He said this at a luncheon hosted by the Malay Chamber of Commerce in honour of Prof Erbakan.

Prof Erbakan, speaking at the luncheon, congratulated Malaysia for its decision to buy APCs from Turkey.

He also said Turkey was producing advanced frigates and F-16 aircraft and hoped that Malaysia and Turkey could co-operate in these areas as well.

He also said Turkey and Malaysia could help set up an Asian Islamic Development Bank to help the development of countries in the region.

He added there was vast potential for further cooperation between the Islamic countries.

Earlier, Datuk Sri Dr Mahathir Mohamad said there would be greater interaction between Turkey and Malaysia in future following the visit of Prof Erbakan.

Speaking to reporters after accompanying Prof Erbakan on a visit to the Institute of Islamic Understanding Malaysia (Ikim) here, Dr Mahathir described the Turkish premier's visit as fruitful.

Turkey and Malaysia have established bilateral ties in many areas, including trade and commerce, he said.

Prof Erbakan is on the final day of his three-day official visit to the country.

Malaysia: Commentator Defends 'Constructive Engagement' With Burma

BK1708123496 Kuala Lumpur THE STAR in English 17 Aug 96

["Comment" by V.K. Chin: "Constructive Engagement Can Lift Myanmar" — received via Internet]

[FBIS Transcribed Text] ASEAN's embrace of Myanmar [Burma] into its fold has irritated some of the Western powers. So far, their objection has remained vocal and it remains to be seen if they will take things any further.

Members of the rich world have the tendency of forcing their views on the less-developed ones and expecting others to follow their policies. Those who refuse to do their bidding may face aid and economic boycott.

This is indeed a strange behaviour. The Western governments love to talk about freedom, democracy and human rights yet their very actions seem to contradict all these principles.

These are all noble objectives but the problem is that they expect the developing world to blindly follow their models which have proven to be faulty in some cases.

The Myanmar Government under the control of the State Law and Order Restoration Council [SLORC] has been vilified by the Western powers for years for its oppression of its citizens.

They have even 'adopted' Myanmar's leading dissident Aung San Suu Kyi and are using her to embarrass the government. It is still difficult to understand what great feat she had accomplished to deserve the Nobel Prize.

The United States and the European Union have been in the forefront to isolate Myanmar politically and economically and all sorts of sanctions have been imposed to bring the SLORC to its knees.

Corporations from these countries have been forced to abandon business ties and projects these groups have established there though the businessmen were reluctant to do so.

These Western governments believed that they could apply the same pressure on ASEAN members at the recent ministerial meeting in Jakarta but unfortunately for them, the regional grouping was made of sterner stuff.

Instead of isolation, the ASEAN governments adopted a policy of constructive engagement and to use the Asian way of converting Myanmar to change gradually so that it could become a member of the international society.

In dealing with a regime like the SLORC, it is patternly clear that the tactics adopted by the Western powers will only drive the state to greater oppression and repression.

It must instead be shown the benefits it can accrue by allowing greater political and economic reforms, particularly in bringing greater benefits to the people through foreign investments and trade.

Any change in attitude and policy cannot be achieved overnight. Letting the pro-democracy forces to do the things they want will only lead to chaos and instability.

It is almost the consensus of the ASEAN members that these pro-democracy groups are incapable of running the government. They have no track record to speak of and being popular does not mean that they can manage a country.

It is this doubt which makes ASEAN believe that SLORC must be given more time to make the political and democratic changes which are more acceptable to the region and the rest of the world.

Perhaps it is time for the Western powers to realise that the days when their poorer cousins are expected to jump on cue are long gone. Developing countries like Malaysia and the rest of ASEAN may be less industrialised and backward economically but it does not mean that they cannot think for themselves or know what they want.

Malaysia: Daily Supports Burma's Entry Into ASEAN

BK1808082196 Kuala Lumpur BERITA HARIAN in Malay 16 Aug 96

[Editorial: "ASEAN Attaches Importance to Unity" — received via Internet]

[FBIS Translated Text] East Asia, including Southeast Asia, is handsomely moving to become a new economic power in the next century. For Southeast Asia, prosperity should be enjoyed by all people together after the region was colonized by Western powers for centuries. Not little tear and blood were shed during the struggle to liberate the region from the yoke of colonialism.

With the exception of Thailand, all countries in the region were once colonized. The bitter experience has made them aware of the importance of unity, be it in the political, economic, educational, and other fields. Such unity is also important to counter external attacks in various fields, including those described as neocolonialism.

For us, ASEAN is an umbrella to unite all 10 Southeast countries regardless of their political ideologies. Only unity can save the region from being toyed with by big powers, while the ideological gap can be narrowed if members work hard to overcome it. The admission of Vietnam, a socialist country, as the seventh ASEAN member in July last year indicated the maturity of ASEAN leaders. We should share our prosperity with them rather than allowing ideological differences to limit their capabilities.

Based on this scenario, we welcomed Prime Minister Datuk Sri Dr. Mahathir Mohamed's statement yesterday that Burma should be admitted as the 10th ASEAN member next year despite heavy pressure from the United States. ASEAN will also admit Laos and Cambodia as full members to realize the dream of the ASEAN founding fathers in 1967 of seeing all 10 Southeast Asian countries live under one roof. ASEAN, which will be 30 years next year, should be mature enough in making any decisions without having to follow the dictates of big powers. Accordingly, the prime minister correctly said that ASEAN should not be afraid of any U.S. economic sanctions following its decision to admit Burma as a member.

For us, intimidation by big powers over the Third World (in this context ASEAN) should have ended long ago. Based on the latest developments in the world, we believe that all nations are equal and negotiations rather than intimidation or a threat of war are the best way to settle a conflict. As European leaders were willing to sit

in the same table with Asian leaders (at the first Asia-Europe Meeting in Bangkok last March, for example), there is no reason why other big powers, including the United States to "turn a blind eye" to the developments.

Burma's entry into ASEAN is an "internal" affair of the regional association, and outsiders should not teach us over the matter. We believe that ASEAN is mature enough to judge its decision. Based on current developments, we believe that ASEAN leaders, including Dr. Mahathir, regarded changes in Burma as a factor to consider Burma's membership in ASEAN. For us, the willingness of General Than Shwe, chairman of the State Law and Order Restoration Council and the country's prime minister, to visit Malaysia and several other ASEAN members is a positive development in the country which adopted a policy of isolation for a long period of time due to Western colonialism.

In line with the positive attitude of ASEAN members toward Burma, we hope that the Burmese Government will also be willing to improve its behavior so that it can go hand in hand with ASEAN members. It will be useless if regional prosperity is enjoyed only by some people, while others, especially minority groups, continue to face repression. In this regard, we call on the Burmese junta to reconsider its policy toward minority groups such as the Rohingya Muslims. We do not want to see the Rohingyas continue to live under repression or escape to neighboring countries to gain sympathy. As ASEAN made a great sacrifice by its decision to admit Burma as a member despite U.S. intimidation, there is no reason why Rangoon cannot ensure the happiness of its citizens, be they ethnic Burmese or minority groups such as the Rohingyas.

Malaysia: India Urged To Reconsider Decision To Block CTBT

BK1708112396 Kuala Lumpur THE STAR in English 17 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia yesterday expressed the hope that India will reconsider its decision to block the nuclear test ban treaty.

Foreign Minister Datuk Abdullah Badawi said he would discuss the matter with his Indian counterpart Inder Kumar Gujral who is scheduled for a two-day visit here beginning Monday.

He was responding to press reports yesterday where Indian Prime Minister H.D. Deve Gowda defended India's decision to prevent a text of the Comprehensive Test Ban Treaty (CTBT) from passing to the Conference on Disarmament for a decision.

"We hope they will sign it because the issue is important," he told THE STAR after witnessing the signing of an agreement between a Malaysian company Qarira Holdings Sdn Bhd [Private Limited] and Pacific Can Investment Holdings Ltd of Singapore to set up Qarira Packaging Sdn Bhd here.

At another function earlier, Abdullah told reporters that Malaysia would not bow to any pressure to accept conditions that were not linked to trade at the December World Trade Organisation conference in Singapore.

BERNAMA quoted him as saying this after receiving Kazakhstan's Supreme Economic Council Vice-Chairman Erzhan Utembayev at his office.

Abdullah said Utembayev's visit was aimed at establishing closer cooperation between the two countries, especially among senior official and economic planners.

Calling on Malaysian firms to set up joint ventures in Kazakhstan, he said there were a lot of opportunities in the mining, petrochemical, construction and tourism industries in the republic.

Malaysia: Mahathir Views Prospects of Merger With Singapore

BK1908075396 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 19 Aug 96

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed wants Singapore leaders to understand racial issues in this country if Singapore wishes to rejoin Malaysia because several issues have not been discussed since the two countries separated in 1965. The prime minister said this in response to a report carried by an English-language newspaper on Singapore's wish to rejoin Malaysia. A Reuter report quoted Singapore Prime Minister Goh Chok Tong as saying that he did not rule out the possibility that Singapore may rejoin Malaysia if Singapore's economy is no longer competitive. The Singapore leader also said Malaysia's economic and education systems have made great progress under Dr. Mahathir's leadership.

Prime Minister Mahathir said the Malaysia-Singapore separation had been caused by Singapore leaders' preoccupation with issues in the island republic. He added that Singapore too cannot avoid racial issues because many Malay people in the republic still lag behind other race groups.

[Begin Mahathir recording] The Singapore leaders must consider Malaysia's situation. It is not true we do not consider Singapore's situation, but as [first Malaysian prime minister] Tunku Abdul Rahman said he had a vision to turn Singapore and Kuala Lumpur into New

York and Washington respectively. That was Tunku's vision, but Singapore did not like it. Singapore wanted to see a Malaysian Malaysia. [end recording]

Meanwhile, the prime minister also hailed Tunku Razaleigh Hamzah's decision to disband his Spirit 46 Party on 6 October because it is for the Malay people's unity and interest. [passage omitted]

The prime minister also called on PAS [Pan Malaysia Islamic Party] to follow Razaleigh Hamzah's example for the sake of Malay people's unity.

[Begin Mahathir recording] I want PAS leaders to ponder the reasons of their party's existence. It is not true to say they fight for Islam. Islam never teaches us to cause division among us. We are a small nation and we cannot afford to be divided. [end recording]

Malaysia: Malay Party Plans To Disband Itself To Rejoin UMNO

BK1808131496 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 18 Aug 96

[FBIS Translated Text] The Malay Party of the Spirit of 46 [S 46] will hold a special general assembly on 6 October to disband itself. Party President Tengku Razaleigh Hamzah and Prime Minister Datuk Sri Dr. Mahathir Mohamed will go to Kelantan early October to explain to the Kelantan people the party's entry into the United Malays National Organization [UMNO].

[Begin Razaleigh recording, in progress] The S 46 and the Kelantan UMNO will in particular explain to the Kelantan people efforts for a merger. We hope that the Kelantan will welcome our proposal and join us in urging all people to be united. [end recording]

Tengku Razaleigh said this during a news conference after chairing a meeting of the party's supreme council where he disclosed the results of his meeting with Datuk Sri Dr. Mahathir last Friday.

An application for rejoining UMNO will be made after the party is disbanded. Initially, as many as 200,000 former party members will apply for membership. The re-registration of present party members is under way.

Tengku Razaleigh said it was normal for some party members to disagree with the merger and join the Pan-Malaysian Islamic Party [PAS] because many PAS members had, on the other hand, entered the S 46.

Malaysia: Two More Ex-Members of Outlawed Islamic Sect Detained

BK1808123996 Kuala Lumpur SUNDAY STAR in English 18 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Two more members of the outlawed al-Arqam movement [an Islamic sect which the government says deviates from Islam] have been detained under the Internal Security Act (ISA).

Bukit Aman [National Police] public relations officer Supt [Superintendent] Ghazali Mohamad Amin said in a statement yesterday that Sheikh Abdul Rahim Sheikh Ahmad, 54, and Mohamad Abu Bakar, 42, had been detained under Section 8 (1) of the ISA and their detention order was effective since Thursday.

The two would be detained at the Kamunting detention centre in Perak for two years. This brings to 14 the number of former al-Arqam members detained under the Act since last month.

On June 8, Ashaari Muhammad appealed to his former followers not to revive al-Arqam. He added that he had nothing to do with them, using the excuse that Pusat Islam [Islamic Center] was not doing enough to rehabilitate them.

Malaysia: Bakun Hydroelectric Project Could Save on Energy Costs

96SE0106B Kuala Lumpur BERITA HARIAN in Malay 12 Jul 96 p 2

[FBIS Translated Text] Kuala Lumpur, 11 July—On 11 July the Court of Appeals was informed that the state will lose 560 million Malaysian ringgits annually if the Bakun Hydroelectric Project is not implemented on schedule.

Muhammad Shafee Abdullah, an attorney representing Ekran Ltd, told the court that if the government decides to implement this privately financed hydroelectric project, it is estimated that it can save 560 million ringgits annually, rather than purchasing energy from outside the country.

He said: "For that reason, if the court proceedings are continued for just a few days, it will cause Ekran to suffer major losses."

He continued: "Indeed, the initial, preparatory work and infrastructure, as well as the provision of facilities for the workers, involve high costs every day. We will suffer greater losses in the time waiting for our appeal to be heard than the three plaintives in this case."

He stated: "A delay in the implementation of the project will mean that we will lose 9.5 million ringgits per day or 3.5 billion ringgits per year."

These losses will be in the form of the costs of delay in personnel and the costs of equipment, because machinery worth 200 million ringgits is involved, in addition to the pay of 1,200 workers at the project site and other facilities provided to them.

He said: "Local people there have put up a building to house the workers taking part in this project. So far they have invested 50 million ringgits in providing housing for the workers."

Shafee said that the delay may cause Ekran to lose critical time in redirecting the flow of the river to build diversion dams because work of that kind can only be undertaken when the water level is at its lowest point.

According to Shafee, a delay in the work on the project will mean that such an opportunity will be lost, and Ekran will be forced to wait for one more year for the level of water in the river to return to the lowest level.

He presented his arguments before Lamin Mohamed Yunus, president of the Court of Appeals who presided over this session of the court, together with Judges M. Shankar and Ahmad Fairuz Sheikh Abdul Halim.

Ekran presented a request for an order suspending the decision of the Supreme Court on 19 June in connection with environmental legislation in the vicinity of the Bakun Hydroelectric Project.

Previously, on 29 June Judge Lamin issued an order suspending a decision of the Supreme Court after confirming the motion presented by Ekran.

On 19 June James Foong, a justice of the Supreme Court, found that legislation amending the Environmental Impact Act (Scheduled Activities) (Environmental Impact Evaluation) of 1995 was unconstitutional. This amending legislation authorized the government of the State of Sarawak to approve the report required under the Environmental Impact Act on the Bakun Hydroelectric Project.

Cambodia

Cambodia: 'Rift' Between Leaders on Future of Khmer Rouge Defectors

BK1708103196 Hong Kong AFP in English
1013 GMT 17 Aug 96

[FBIS Transcribed Text] Phnom Penh, Aug 17 (AFP) — A rift between Cambodia's two prime ministers widened Saturday over bringing Khmer Rouge defectors into the government, as negotiations with the breakaway faction pressed on in the country's northwest.

"We welcome the defectors but the case is becoming complicated — it has become a political issue," said Ly Thuch, First Prime Minister Prince Norodom Ranariddh's chief of cabinet.

"The position of the prince is that he welcomes the defectors but some people who have made announcements on this case are not following the law of our kingdom," Ly Thuch said.

Government officials in the northern border town of Poipet said Friday they had agreed to ceasefire terms with four Khmer Rouge divisions loyal to Ieng Sary, the former right-hand-man of Khmer Rouge leader Pol Pot.

But Prince Ranariddh has taken issue with Co-Premier Hun Sen's stand that Ieng Sary be accepted into government, pointing to the atrocities committed by the group during their bloody 1975-79 reign.

"Only the king has the supreme right to pardon people, so please don't violate the Constitution," Ly Thuch said, adding that the National Assembly will also have to vote on how to apply the law banning the Khmer Rouge to the defectors.

"We welcome the Khmer Rouge but who among them?" Ly Thuch asked. "All those monsters who the international community also recognizes as criminals? We must have some conditions."

The breakaway faction has set as one of its conditions to crossing to the government side that Ieng Sary be permitted to run in the next general elections, scheduled for 1998, according to negotiators.

Prince Ranariddh has argued that it goes against Cambodia's Constitution and legislation outlawing the Khmer Rouge to give Ieng Sary a political role, Ly Thuch said.

A government military negotiator in Poipet also stressed Friday that the ceasefire agreement was made "army to army," and that non-military questions would have to be dealt with by civilian authorities.

Hun Sen on Thursday said accepting Ieng Sary was a small price for Phnom Penh to pay compared with the bloodshed that would ensue if the civil war between the government and the Khmer Rouge continued.

But a member of Hun Sen's Cambodian People's Party acknowledged Friday that it would be difficult to persuade the international community and the Cambodian public to accept Ieng Sary's return to power, though he said the opportunity for peace was too important to pass up.

"We can deal with the problems down the road, in the short run the question has to be how we can secure peace," said the official, asking not to be named.

Diplomats here say it is hard to tell how the international community would react since no firm agreement with Ieng Sary — or within the government — has been reached.

Cambodia: Paper Discusses Ranariddh-Hun Sen Rift

BK1708113996 Phnom Penh PHNOM PENH POST
in English 9-22 Aug 96 pp 3, 5

[Report by Ker Munthit]

[FBIS Transcribed Text] Hundreds of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] officials met in Phnom Penh last week to discuss strategy, as signs of disunity surfaced with the defections of some FUNCINPEC-affiliated police officers to the Cambodian People's Party (CPP).

Party representatives from the provinces, government ministries and armed forces attended the Aug 2 meeting.

FUNCINPEC leader and First Prime Minister Prince Norodom Ranariddh urged party solidarity, honesty and effective planning for commune and national elections, according to party officials.

Party Secretary-General Loy Simchheang described the gathering as routine, but political observers attributed greater importance to it.

The meeting came amid continued outspokenness by Ranariddh and his CPP Co-Prime Minister Hun Sen — who claimed a recent assassination plot against him — and signs of mounting tension within the Cambodian Armed Forces.

It also followed the defections of about 200 Ministry of Interior personnel affiliated to FUNCINPEC or the former Khmer People's National Liberation Front (KPNLF).

Well-informed sources said of the defectors, some of whom held ranks as high as general, about 170 were FUNCINPEC members and 30 KPNLF.

"The figure only accounts for those who are serving within the ministry alone. Probably, there are [defectors] in provinces that we don't know about," said one source, who demanded anonymity.

Another said the defections began more than a month ago when some officers "volunteered" to apply for CPP membership.

"No ceremony was held. They simply gave in their photos and membership cards were handed to them a few days later," he said.

Reasons for the defections are unclear, but sources suggested the people — all on the ministry payroll, though some yet to be appointed to permanent positions — hoped to achieve a more "secure future" with the CPP.

FUNCINPEC Deputy Secretary-General Ho Sok, also secretary of state for interior, denied there had been any defections but acknowledged that party solidarity was an issue of "100 percent" importance.

Asked if some members may have left FUNCINPEC because they had been unable to secure government positions they wanted, he said some appointments had been refused by the CPP.

There are five central departments of the Ministry of Interior, two headed by CPP-affiliated generals, two by FUNCINPEC generals and one by a Buddhist Liberal Democratic Party (BLDP) officer.

However, Ho Sok complained that of the 21 bureaus under the central departments, only three were headed by FUNCINPEC generals, which was "very unbalanced."

"What FUNCINPEC and the people wished for has not been achieved. We will make efforts to overcome this obstacle," he said.

Li Thuch, chief of Ranariddh's cabinet, said he did not know of any defections but if anyone had left the party to try to get a better government job, it would not work.

He said both FUNCINPEC and CPP, as government coalition partners, had to approve new appointments, so "running from one place to another will not help."

Son Soubert, president of one faction of the divided BLD party — the successor to the KPNLF — said he knew of "opportunists" who had gone over to CPP to "curry favor". He would not give their names.

Other sources noted that if FUNCINPEC identified defectors, it would likely try to have them sacked.

However, CPP is sure to try to resist such moves, in line with a strategy which was discussed at the party's national plenum in June.

Both Hun Sen and CPP President Chea Sim, during plenum speeches, stressed at length the need to encourage defections from FUNCINPEC and protect all defectors.

Hun Sen has also repeatedly claimed publicly that a number of FUNCINPEC officials would join CPP

if Ranariddh carries out his threat — made at a FUNCINPEC congress in March — to withdraw from the government.

Meanwhile, there are continued signs of distrust between the various former political factions now combined within the Royal Cambodian Armed Forces (RCAF).

CPP officials, especially Hun Sen, have for months privately alleged that FUNCINPEC is preparing military forces in case of a fight with CPP.

Hun Sen last met with FUNCINPEC's top general, Choeuk Bunchhai, in a visit last month to Siem Reap. Sources say Hun Sen told Bunchhai to tell Ranariddh to disband "secret forces loyal to - FUNCINPEC in the province.

RCAF Chief of General Staff Ke Kimyan (CPP) was present at the meeting, according to one source who said CPP believed that the FUNCINPEC forces included Khmer Rouge defectors in the province.

FUNCINPEC and the former KPNLF, along with the Khmer Rouge, were former allies who fought Hun Sen's regime in the 1980s.

Siem Reap has been one site of alleged intimidation against FUNCINPEC members in recent months.

Ranariddh, speaking to reporters Aug 1 on his return from a trip to Malaysia, said: "We have not yet had the election [due in 1998] and yet there is already the use of violence...illegal and cruel. What will we do when we go to vote?"

He urged Co-Ministers of Interior Sar Kheng and Yu Hokkri to take action against anyone committing political intimidation, but did not directly accuse CPP of involvement.

FUNCINPEC officials have complained of violence and harassment including the ripping down of party signs in several provinces. Loy Simchheang last week made a point of saying he blamed individual disputes — rather than a concerted campaign against FUNCINPEC — for the incidents.

In an unrelated matter, Hun Sen said late last month that security forces had foiled a bid to murder him in Kompong Thom. In a speech in the province, broadcast on radio, he said a man with an artillery shell had been arrested a few days earlier.

The second prime minister, who has cited a number of alleged plots on his life in the past year, said the man had confessed to planning to kill him. Hun Sen did not identify the man.

In other speeches in recent days, both have delivered strong words.

Ranariddh, in a visit to Svay Rieng, repeated that Vietnam had recently stolen land from an allegation sharply rejected by Hanoi and inconsistent with reality."

Hun Sen, meanwhile, in one speech laid any CPP blame for the current political

Without naming Ranariddh or FUNCINPEC, that CPP had been "sitting peacefully" while we came and threw three kicks at us and we judged with equal punishment — that's

"Don't hold blood in your mouth and in others," he said, referring to a Khmer [blood] which has been sprayed since now is quite enough. Stop it, it's enough."

Ranariddh, meanwhile, reiterated his desire for Hun Sen but noted that the pair were no "other" very much these days.

Cambodia: Declaration by Khmer Rouge
BK1608153596 Phnom Penh National
Cambodia Network in Cambodian
1300 GMT 16 Aug 96

["Declaration by Ieng Sary, I Chhean, and others, dated 15 August; place not given — read

[FBIS Translated Text] On 9 August 1996, the Kampuchea, through its radio station, accused us of betraying the nation, ranks, party, army, and of being corrupt.

I. This declaration is a slander fully contrary to truth. We have been with the ranks, with the army; we have fought enemy aggression, the bases in Pailin and Malai; and we have successive victories to this day.

II. Under the leadership of the three leaders, complexities, obstacles, and hardship in liberating the nation and in building the new way of life, army members and the people of Pailin and Malai continue to strongly and never accused one another of being traitors or rotten flesh. They all hold aloft, praise, and moral and physical assistance to the heroes who sacrificed their fresh blood and flesh on the battlefield.

III. When I, Ieng Sary, was hospitalized for many years, Son Sen, alias Khieu, came to a battlefield in western Cambodia in Pailin, south Sisophon under the dictatorial regime of Sar, alias Pol Pot, and of Chhit Choeun, alias

Whatever we had built for the rank and file, the people, and for the army to develop in accordance with liberal democracy, was destroyed by Son Sen, alias Khieu.

1. No opposing view is allowed;
2. Discussion on decisions over issues is not allowed;
3. The Buddhist faith is banned; in fact, monks have been disrobed and monasteries abolished.
4. People are not allowed to engage in small trading businesses to earn a living. Moreover, in the implementation of the barbarous dictatorship, with no ownership whatsoever, of the group of Salot Sar, alias Pol Pot; Chhit Choeun, alias Ta Mok; and Son Sen, alias Khieu, these guys 1) confiscated private cars owned by the people; 2) confiscated small family paddy mills; 3) confiscated ox carts, which are the peasants' means of livelihood; 4) confiscated small amount of goods and vegetables from the people who engaged in trade to support themselves; 5) accused patriots of being rotten flesh and of falsifying and exaggerating policies, to the point of most unjustly accusing these patriots of being traitors.

IV. A Conflict of views, policies, and leadership procedures.

1. A conflict between liberal democracy and cruel dictatorship.
2. A conflict between extensive solidarity and accusation and slander to split the ranks; outdated leadership working procedures; refusal to learn from mistakes committed in past leadership experiences; leading without consideration in rallying the national forces and leaving these forces apart and instead fueling an acute struggle, which led to cleansing the ranks and the removal of people, leading to hardship and suffering; and merciless massacre.

National reconciliation has not yet been achieved. The Pol Pot-Ta Mok-Son Sen group has already started to carry on their leadership in accordance with the past and mistaken dictatorial regime. They have considered national issues as minor ones. They have used documents on the seven-point true nature of peasants, which the people have rejected, to teach and train the rank and file, people, masses, and the army. This education has left cadres and army members in the dark with no light as far as ending war is concerned.

Based on their dictatorial administration Salot Sar, alias Pol Pot; Chhit Choeun, alias Ta Mok; and Son Sen, alias Khieu, have made preparations to order troops to smash the army and people in Pailin and Malai in a most barbaric manner. They think only of waging war in accordance with the method of using only one part

of the force and not relying on the entire national force; this leads to no way out to end the war.

All this is an unresolvable conflict between us and the Pol Pot-Ta Mok-Son Sen group.

V. The above reasons have led the three of us, along with Divisions 415, 450, and 250; and representatives of Divisions 519 and 36 in Koh Kong and Samlot battlefield, to an agreement to find a solution to reconcile the Cambodian nation and to end the war so that Cambodia enjoys genuine peace and the people have a glorious and peaceful life.

VI. The announcement from far away on the Democratic Kampuchea radio to set up a new leadership of Divisions 415 and 450 is an outdated method that did not take into account the views of those persons affected. It was not based on meetings and did not ask for the views of the masses.

This was done to show that they have power and can do whatever they want. Those persons affected by the setting up of the new leadership are angry and are hurt by the deception of the radio, which has duped the nation and the army. These persons have asked us to declare their vehement rejection. We, along with these persons appointed by the radio of Democratic Kampuchea, reject this declaration as null and void, maintain the old leadership of Divisions 415 and 450, and will continue to struggle for a glorious life for the people.

In the current situation it is our view that the direction to move for a solution is for Cambodians from all sides to meet and talk, with no one winning or being defeated, and with no branded traitors whatsoever. Cambodians, unite to solve serious national problems in accordance with the method of ending war by:

1. Preserving the territory, units, and administration of the property of the units and of the people; and living without either armed clashes or verbal attacks in the respective localities. Along with this, talks will be held until a clear agreement is reached at the request of the people in our liberated zones.
2. Efforts will be made to get the four sides to reunite and to become a firm force of the nation based on sacred national unity.

VII. We would like to appeal to cadres who are combatants and the people nationwide to join together and unite to build our Cambodia and to stop thinking about the past so that Cambodia adopts a political regime of liberal democracy to build a prosperous life for the people, as in the Angkor era, shining in Southeast Asia.

The Angkor era was indeed glorious and brilliant. However, in the post-Angkor era our country shrank; our population was reduced and we live next to big countries with larger populations. We have managed to defend and safeguard our territory and nation; this is no small feat. This is due to the fact that our nation knows how to unite and live together; considers the national interests as sacred; and struggles to defend it.

At present, our territory has shrunk. National construction is not an easy task. However, as long as Cambodians can unite in accordance with liberal democracy, all problem can be resolved. We have to further firmly unite to defend and make our country and nation glorious again with King Norodom Sihanouk as the symbol of our nation and with Buddhism as the religion followed by the majority of people. Cambodia will be even more glorious.

15 August 1996

Ieng Sary, I Chhean, and Sok Pheap

Cambodia: Khmer Rouge Defectors' Election Demand Rejected

BK1708143996 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 17 Aug 96

[FBIS Translated Text] According to reports, Royal Government of Cambodia negotiators have made progress in talks linked to the security of Khmer Rouge defectors.

General Chea Sotha, chief of the Defense Ministry's Intelligence Department, said that negotiators have agreed to two of the three points proposed by the defectors led by Ieng Sary. The points accepted were the cease-fire and the proposal that Khmer Rouge defectors not cause disturbances in the areas they control. However, General Sotha said that Ieng Sary's proposal asking for permission to take part in the general election in 1998 has not been accepted.

Cambodia: Government Expands Cabinet, Issues Roster

BK1908005996 Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Aug 96

[List of the new, expanded cabinet of the Provisional Government of National Union and National Salvation] (Clandestine)

[FBIS Translated Text] 1. Prime Minister: His Excellency [H.E.] Khieu Samphan, 65 years old.

Deputy Minister attached to the Prime Minister's Office: H.E. Top Team, 41.

2. Special Adviser of the Government on Health and Hygiene of the Population: H.E. Dr. Prof. Chuon Choeun, 76.

3. Deputy Prime Minister and Minister of Foreign Affairs: H.E. Chan Youran, 62.

Deputy Minister of Foreign Affairs: H.E. Chhuon Sikhorn, 42.

4. Minister of Economy and Finance: H.E. Mak Ben, 52.

5. Minister of Immigration in Charge of Solving the Problem of the Influx of Vietnamese Immigrants into Cambodia: H.E. In Sopheap, 53.

6. Minister in Charge of the Situation and Labor in Phnom Penh and the Cities: H.E. Kao Bun-heng, 50.

7. Minister in Charge of Solving the Nation's Territorial Integrity, Sovereignty, and Frontiers: H.E. Tep Khunnal, 44.

8. Minister of Religious Affairs and National Culture: H.E. Chheang Chha-on, 62.

9. Minister of National Defense: H.E. Kev Yan, 45.

Deputy Minister of National Defense: H.E. Sin Samang, 41.

10. Minister of Interior: H.E. Yon Phan, 48.

11. Minister of Justice: H.E. Se Phan, 57.

12. Minister of Education and Proselytization: H.E. Chheang Phin, 47.

Deputy Minister of Education and Proselytization: Mrs. Si Socheat, 38.

13. Minister of Self-Support Economy of the Army Dependents and Population: H.E. Pa Song-theng, 45.

14. Minister of Social Welfare and Health and Hygiene of the Population: Mrs. Phang Pokheang, 45.

Cambodia: NADK Spokesman Denies Allegations of Surrender

BK1808095096 Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 17 Aug 96 (Clandestine)

[Statement issued by the spokesman of the National Army of Democratic Kampuchea on 17 August; place not given — read by announcer]

[FBIS Translated Text] 1. In recent days, the one-eyed Hun Sen and Pol Sareun, at communist Vietnam's

behest, have repeatedly stated that the National Army of Democratic Kampuchea [NADK] has surrendered to them. Whimsically, they lie about the numbers of those who have surrendered. Aside from this, the alliance, including the Australian and American radios, through the voice of its puppet called (Mayarit), has also painstakingly propagated these lies.

II. The NADK spokesman totally denies these lies and wishes to present the real situation in Malai and Pailin as follows:

1. The traitor Ieng Sary called Van has already escaped from Malai and is agonizingly, desperately sick. He can do nothing now.

2. These guys Pheap and Chhieng, who are pawns of Ieng Sary called Van, currently remain in their lairs. They dare not wander for fear that the people, army members, and army dependents will blow out their brains.

3. The traitors have no forces comprised of the masses, the people, and the army dependents with them. They are committing cruel and fascist acts by rounding up, starving, and leaving them exposed to the rain and wind in a most miserable manner.

4. The masses, the people, and the army dependents have so far continued to stage demonstrations one after another against the traitors because it is futile for the masses, the people, and the army dependents to join them in rising up and plotting.

5. An overwhelming majority of army cadres and members are also opposing them. They are still with the nation and people, and are continuing to fight the communist Vietnamese puppets on the battlefield unceasingly.

III. Therefore, communist Vietnam, Hun Sen, Pol Saroeun, the Australian radio, and (Mayarit) are all telling lies.

On this issue, even BBC has broadcast that Hun Sen lies. There is no reason whatsoever for NADK combatants to surrender to them. They are simply traitors.

[Dated:] 17 August 1996.

[Signed:] NADK spokesman.

**Cambodia: Khmer Rouge Says Ieng Sary
'Desperately' Ill**

BK1808110596 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 17 Aug 96

[FBIS Translated Text] An informed source discloses that since his hair-raising escape from Malai on 8

August, the nation-betraying Ieng Sary, called Van, has been desperately ill. There is no hope of his survival.

It should be recalled that a few months ago, the nation-betraying Ieng Sary, called Van, had eye and heart surgeries, and while he was not yet fully recovered, communist Vietnam and the villainous alliance forced him to instigate an insurrection in Malai and Pailin. Nevertheless, this gutless guy escaped from Malai after his activities of betraying the nation, the ranks, the army, and the army dependents were unmasked. After that, his heart disease recurred. It is reported that he has now called his children and grandchildren to his bedside because he does not know when he will breathe his last breath. As for these guys, Pheap in Malai and Chhieng in Pailin, they have been drinking constantly since they lost their leadership. Why? Because they realize that they have no future.

The communist Vietnamese and the villainous alliance have been aware of Ieng Sary's illness, but they have persistently continued to broadcast and write using the traitor's name in this or that manner. This is aimed at strenuously perpetuating a campaign against the national resistance forces from the interior before their plan in Malai is completely defeated. This is the basest deceiving trick of a thief that most clearly shows that the communist Vietnamese and the alliance are being driven to the wall completely.

**Cambodia: Khieu Samphan Announces New,
Expanded PGNUNS**

BK1908023696 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Aug 96

[Communique on the outcome of the 17 August enlarged PGNUNS meeting read by PGNUNS Prime Minister Khieu Samphan; date and place not given — recorded]

[FBIS Translated Text] An enlarged cabinet meeting of the Provisional Government of National Union and National Salvation [PGNUNS] was held on 17 August with the participation of many ministry and department delegates and people's representatives from various circles, provinces, districts, and communes.

I. The meeting participants concluded that the situation of the struggle waged by our nation and people against the communist Vietnamese aggressors, their lackeys the puppets, the villainous alliance, and the two heads for national and racial salvation since the establishment of the PGNUNS on 10 July 1994 has progressed and advanced in all fields and sectors. The government's work has multiplied. So, the participants decided to expand the cabinet of the PGNUNS, as follows:

1. Prime Minister: His Excellency [H.E.] Khieu Samphan, 65 years old; Deputy Minister attached to the Prime Minister's Office: H.E. Top Team, 41;

2. Special Adviser of the Government on Health and Hygiene of the Population: H.E. Dr. Prof. Chuon Choeun, 76;

3. Deputy Prime Minister and Minister of Foreign Affairs: H.E. Chan Youran, 62; Deputy Minister of Foreign Affairs: H.E. Chhuon Sikhorn, 42;

4. Minister of Economy and Finance: H.E. Mak Ben, 52;

5. Minister of Immigration in Charge of Solving the Problem of the Influx of Vietnamese Immigrants into Cambodia: H.E. In Sopheap, 53;

6. Minister in Charge of the Situation and Labor in Phnom Penh and the Cities: H.E. Kao Bun-heng, 50;

7. Minister in Charge of Solving the Nation's Territorial Integrity, Sovereignty, and Frontiers: H.E. Tep Khunnal, 44;

8. Minister of Religious Affairs and National Culture: H.E. Chheang Chha-on, 62;

9. Minister of National Defense: H.E. Kev Yan, 45; Deputy Minister of National Defense: H.E. Sin Samang, 41;

10. Minister of Interior: H.E. Yon Phan, 48;

11. Minister of Justice: H.E. Se Phan, 57;

12. Minister of Education and Proselytization: H.E. Chheang Phin, 47; Deputy Minister of Education and Proselytization: Mrs. Si Socheat, 38;

13. Minister of Self-Support Economy of the Army Dependents and Population: H.E. Pa Song-theng, 45; and

14. Minister of Social Welfare and Health and Hygiene of the Population: Mrs. Phang Pokheang, 45.

II. The meeting participants reiterated the consistent, unchanging political objectives of the PGNUNS, as follows:

1. To forge national reconciliation, national unity, and national union with forces from all political tendencies, regardless of their past, so as to muster sufficient national forces for the joint mission of solving the currently deteriorating national and social problems.

2. To muster and bond all national forces so as to have the strength necessary to end the communist Vietnamese war of aggression which is being carried on endlessly, and to solve the problem of the presence of nearly 5 million Vietnamese immigrants, which constitutes

an immense danger to the survival of our Cambodian nation, people, and race.

III. The PGNUNS would like to profoundly salute our nation and people in the countryside, Phnom Penh, and abroad and all national resistance forces who, in the past as well as at present, have been waging a multiform struggle against the war of aggression of communist Vietnam, the villainous alliance, and their two-headed lackeys in order to end this war and achieve genuine national reconciliation and peace in Cambodia. Our nation and people joining forces in a tenacious and courageous struggle inflicted on communist Vietnam, the villainous alliance, and their lackeys the puppets a most strategic defeat during the recent 18th dry season. No matter how hard the latter try to free themselves, they still fail utterly. All of us are most determined to carry on our most tenaciously struggle:

1. Until Cambodia becomes a nation that has total independence, sovereignty, and unity within its borders according to the 1/100,000 map that was internationally recognized before 1970, and not a present-day Cambodian nation which communist Vietnam and nearly 5 million Vietnamese immigrants are swallowing up by all ways and means and where dishonest foreign merchants are buying up huge chunks of territory and islands here and there under 70- to 90-year leases.

2. Until there is a Cambodian state which truly belongs to our Cambodian nation and people and which functions under a genuinely market-oriented economic system and a pluralistic parliamentary system, and not the present-day dictatorial and fascist state of communist Vietnam and its lackeys the puppets with Hun Sen as the ringleader.

All of us refuse to let communist Vietnam swallow up Cambodia and let communist Vietnam and its lackey Hun Sen dictatorially and fascistically continue the war in order to savagely and brutally butcher our population with impunity everyday. Our compatriots in all social strata have made great efforts to wage the struggle. Our peasants as well as our nation's upper-echelon political figures all have made these efforts. This is a national, patriotic spirit of the brothers from all social strata. As for the PGNUNS, it is only a provisional government representing both the national resistance forces of Democratic Kampuchea and the entire Cambodian nation and people. When the war ends because our nation and people are united in waging the struggle in all ways and forms and everywhere — in the countryside as well as in the cities, at home as well as abroad — the government that runs the country will be a government of national reconciliation and national concord, made up of national forces from all social

strata without discrimination so that our nation will have sufficient strength to carry out, for now, the end of the war and, in the future, national defense and national reconstruction.

Our nation is small and our population is few. So, we need national solidarity. Only by achieving national union and national unity can we defend our nation. This is our domestic policy. As for our foreign policy, it is to coexist and cooperate peacefully in the political, economic, scientific, technological, and other fields and sectors and to make business contacts and deals with all countries in the world, near and far. If all of us continue to unite forces and wage a tenacious, multiform struggle, it is certain that we will fully achieve our above-mentioned sacred objectives, that we will fully save our Cambodian nation and race, and that we will be able to preserve our Cambodian nation, people, and race forever, absolutely refusing to let them disintegrate and become extinct.

Indonesia

Indonesia: Authorities Said To Have Arrested Foreign Journalists

BR1608145496 Rotterdam ALGEMEEN DAGBLAD
in Dutch 16 Aug 96 p 8

[FBIS Translated Excerpt] Jakarta — Five foreign journalists including one Netherlander have been held by the Indonesian authorities since 3 August in Yogyakarta, the Indonesian daily KOMPAS reports.

The paper has not been able to learn the name of the Netherlander. Nor is it known whether a man or woman is involved. The Foreign Ministry in The Hague is looking into the report, but could give no further details. That also applies to the NVJ [Netherlands Association of Journalists] which is also trying to learn more.

According to a spokeswoman of the Japanese Embassy, four Japanese journalists were arrested on 2 August in Yogyakarta. "According to our information they were released on 4 August," she said.

KOMPAS reported yesterday that the commander of the military district IV/Diponegoro, Major General Subagyo, was not willing to reveal which media the journalists worked for. Another military spokesman, Colonel Salim Mengge, said that the five had not been arrested, but were held for questioning about the visit they are said to have made to "a leading intellectual."

It is being examined whether the Japanese and Netherlander have journalists' visas or whether they tried to get information as tourists. "If they have broken the existing regulations then action will be taken against them" Salim Mengge said. [passage omitted]

Indonesia: Suharto Delivers Independence Day Speech

BK1608152896 Jakarta TVRI Television Network
in Indonesian 0242 GMT 16 Aug 96

[Independence Day Speech by Indonesian President Suharto at the House of Representatives —live]

[FBIS Translated Text] Honorable speaker, deputy speakers, and members of the House of Representatives! My fellow countrymen! Ladies and gentlemen! Peace be upon you!

Every time we commemorate the anniversary of the declaration of our independence, we express our boundless thanks to God Almighty in accordance with our own faiths. God willing, we will commemorate this tomorrow.

The third paragraph of the preamble of our constitution reads: With the blessings of God Almighty and motivated by a noble desire to have a free national life, the Indonesian people thereby declare their independence.

This sentence reflects our nation's deep confidence that the long and arduous struggle by generations of the Indonesian people against colonial repression culminated in the birth of an independent Indonesia thanks only to the blessings of God Almighty. As we commemorate the 51st anniversary of an independent Indonesia, we would like to express our boundless thanks to God the Most Generous, the Most Merciful, and the Most Compassionate for allowing us to live in a united nation and enjoy the fruits of our development programs. We are deeply concerned over the fact that many nations in various parts of the world are facing conflicts and division, have not completed national integration, or are struggling against poverty, misery, famine, and disease.

We would also like to express our boundless thanks and highest respects to all national heroes and our predecessors who fought and sacrificed their lives for all of us. We live now as citizens of an independent and sovereign nation.

The 51st anniversary of our independence coincides with the 30th anniversary of the New Order government, which is an order of development. Our New Order government was determined to restore our national life by truly and consistently implementing Pancasila and the 1945 Constitution. Pancasila and the 1945 Constitution have become the main pillars of dynamic national stability. Dynamic national stability has in turn enabled us to develop our country and enjoy the fruits of development.

The New Order government was born after the Armed Forces of the Republic of Indonesia [ABRI] crushed a rebellion masterminded, engineered, and committed by the Indonesian Communist Party [PKI] on 30 September 1965. The PKI was regrouping for years to make a comeback after an failed rebellion against the Republic of Indonesia in 1948 at a time when the Indonesian people were fiercely fighting against the colonialists who were trying to restore their rule in the country. The PKI clearly committed treason against the nation and national independence. In an effort to seize power, the PKI systemically nurtured a revolutionary situation by infiltrating various sectors, disseminating slanders and rumors, pitting one against another, sharpening social conflicts, and championing the people's justice. Some of us are well acquainted with the way the PKI thinks and its strategy, schemes, and actions, while some others do not know the PKI's ways of imposing its will to seize power because they were born after 1965 or were only several years old in that year. It could be that consciously or unconsciously or intentionally or unintentionally, the ways the PKI thinks and acts have emerged in other forms within our society. The PKI rebellion by the end of 1965 was a national tragedy and left deep and long wounds on our nation. Accordingly, we have banned the PKI and its ideology on Indonesian soil. We are determined that a PKI rebellion and other rebellions will not recur in the country. The PKI rebellion, which was a national tragedy, inspired our nation to reflect on our past journey. The then revolutionary euphoria, which was indeed kept up by the PKI, obviously created mutual distrust, division, tension, instability, and economic decay and kept the people away from prosperity.

Earlier, we underwent an era of liberalism where we had many parties and even so many parties. Under the then parliamentary system, it was difficult to set up a stable government because a coalition government was always easily shaken by internal or external forces. Once, we had governments which were only between one month and two months old. Development was impossible under that situation. Social progress, welfare, and prosperity, which had become the goal of our declaration of independence, were further away. The national situation was not conducive to development needed for national progress and prosperity. We concluded that all this had happened because we were not loyal to or had deviated from Pancasila and the 1945 Constitution. Accordingly, the New Order government was determined to truly and consistently implement Pancasila and the 1945 Constitution. [passage omitted]

In view of this, the New Order Government was determined to truly and consistently implement Pancasila

state ideology and the 1945 Constitution. This is the reason why the people, through the MPR [People's Consultative Assembly] decree No. 22/1966 gave their mandate to the government and the provisional House of Representatives to formulate laws on mass and functional groups to restructure the sociopolitical parties.

In order to create a climate conducive to development, it was clear that it did not only involve drawing up a list of what we were determined to do. The renewal of spirit, attitude, and political strength were no less important. Due to the fact that the New Order called for a firm discipline and the development of a healthy democracy, the participation of the number of socio-political parties in the government had to be in accordance with the democratic system. The political structure could not be established by force and not by eliminating political parties. We believed in democracy, so our administrative operations had to be democratic too.

The debate on laws concerning political parties and social organizations came to a deadlock when no consensus was achieved. The leaders of political parties were not able to find means to introduce reforms and attract people's participation in political life. So as the president, who received the mandate from the MPR at that time, took the initiative to break the deadlock. This was a very important issue because it concerned the implementation of a democratic life in general and the holding of a general election in particular.

The president's initiative which was later negotiated intensively under the leadership of a sociopolitical force was aimed at preventing any camp from making a unilateral decision or becoming authoritative.

The president stated a proposal to the leaders of all political parties and functional groups that our political reform should be based on the New Order principle of national consensus — that was the determination to truly and consistently implement Pancasila and the 1945 Constitution. In other words, it means that the basis of sociopolitical forces can be none other than Pancasila and the objective is none other than to develop a Pancasila society. To develop a Pancasila society means to fully develop the society. Thus, there will be physical, spiritual, and material development in the society. There will also be religious guidance for society for the world to come. Meanwhile, there should be a balance in the implementation of these developments so that they will continue to raise the dignity of human beings. Therefore a healthy basis for making political reforms and the establishment of a political structure was not preceded by any group; instead, it was orientated towards the development of a Pancasila society.

Obviously, sociopolitical forces based on Pancasila ideology have to concentrate their attention on material development without ignoring the spiritual aspect, and vice versa; or carry out development with functional groups that can strike a balance between material and spiritual development simultaneously.

Based on such ideas, the law on political parties and functional groups that existed then was simplified. The number of sociopolitical parties was reduced to three. The first was the group that struggled to create a Pancasila society through the concentration of spiritual development, without ignoring the material aspect. This was the group made up of parties such as Nahdlatul Ulama, MI [Indonesian Muslim Party], PSII [United Islamic Party of Indonesia], and Perti [Association of Islamic Educationists].

The second was the group that struggled for the creation of a Pancasila society through development that concentrated on the material aspect, without ignoring the spiritual aspect. The PNI [Indonesian National Party] IPKI [Association of the Defenders of Indonesian Independence], Murba, [Troskyite Party], Parkindo [Indonesian Christian Party] and Catholic Party were included in this group.

The third was the group that struggled for the creation of a Pancasila society through a balanced development of spiritual and material aspects in life. This group was known as Golkar.

The idea became a common consensus that eventually paved the way for a reduction of the number of sociopolitical forces to three: two political parties and Golkar. Nevertheless, the government and House of Representatives were unable to formulate laws on political parties and mass organizations before the 1971 general election. Thus, nine political parties and Golkar took part in the 1971 general election.

Although the restructuring of political parties was not legally completed, four factions — two representing political parties, one representing Golkar, and one representing ABRI — emerged in the House of Representatives inaugurated after the 1971 general election. The two factions representing political parties were the United Development Faction — made up of the NU, MI, PSII, and Perti — and the Indonesian Democratic Faction, made up of the PNI, IPKI, Murba, Parkindo, and Catholic Party.

The determination to turn the factions in the House of Representatives into stable political organizations was enshrined in the Broad Outline of State Policies issued at the 1973 General Session of the People's Consultative Assembly. According to Law No. 5/1975

on Political Parties and Golkar and the revised law on general elections, two political parties and Golkar would take part in the 1977 general election. Meanwhile, the political parties agreed to merge. The NU, MI, PSII, and Perti merged under the United Development Party (PPP), while the Indonesian Democratic Party (PDI) replaced the PNI, IPKI, Murba, Parkindo, and Catholic Party. It took us years to restructure political parties in the country and formulate laws that gave legal power and protection to political parties and Golkar. At the same time, the laws are a manifestation of Article 28 of the Constitution of 1945, which states that freedom of union and assembly and freedom of thought — whether the thought is expressed verbally or in writing — are stipulated by law. All this reflected the patience, perseverance, wisdom, and statesmanship of our national leaders in their efforts to restructure political parties to meet the demands of national development.

As I said earlier, the development of democracy and politics [words indistinct] our national development. Decree of the People's Consultative Assembly No. 2/1978 set guidelines on the implementation of Pancasila. We continue to popularize the guidelines on the implementation of Pancasila. We further consolidated our political structure by affirming Pancasila as the sole ideology of the nation and state. If political forces have ideologies other than Pancasila, extremist elements will be encouraged to give prominence to those ideologies during pre-election campaigns. Thus, a particular group will give prominence to its own ideology during a campaign period. This will easily lead to narrow-minded fanaticism, which can be exploited by extremists within or outside a particular group. Group fanaticism will benefit no one and, instead, could cause division and uncontrollable upheavals.

Let us respect the national consensus that we painfully achieved over a long period of time! Please don't question the national consensus just to satisfy personal or group ambitions! If we are not satisfied with the current role of the three sociopolitical forces, let us revamp them instead of setting up new parties, because we cannot be sure of the people's support for those new parties.

In a democracy, different political opinions are legal and healthy. Nevertheless, democratic, constitutional, and legal ways must be pursued. Imposing one's will on another or demanding a change through violence such as destroying and burning down buildings and public facilities is anarchy. Such acts are undemocratic and irresponsible. [applause] Every government is responsible for protecting its citizens from anarchic acts, regardless of where they come from or their reasons.

Accordingly, the state apparatus dealt firmly with the 27 July riots in the capital. [applause] The riots had nothing to do with democracy. Those masterminding and committing the riots must be accountable for their deeds before the law. We all must be proud of the state apparatus that overcame the riots during a brief period of time, thereby preventing them from spreading. There was indeed a temporary repercussion. The economic situation has however been restored and the foreign community continues to have confidence in our economy. This shows that our economy is becoming more resilient. [applause]

The government would like to express its deep appreciation to the ABRI for performing its duties well. The way in which the ABRI put down the riots is most creditable. Political stability and economic life have virtually returned to normal.

Honorable speaker and audience! Whatever we do will be meaningless for the people if there is no improvement in their life. Everything we do will be useful if the people's welfare improves. Indeed, the New Order government was born to improve the people's welfare. Accordingly, we are developing our country. We have passed five five-year development plans. We have passed a long-term development master plan. We are now in the Second Long-Term Development Plan. We have even passed the half-way mark of the Sixth Five-Year Development plan.

We are thankful to God because we have translated into reality what we dreamed of in the early years of the New Order government. Indonesia is no longer in the group of poor countries in the world. On the 51st anniversary of independent Indonesia, our per capita income surpasses \$1,000 — 14 times our per-capita income at the beginning of the New Order government. In real terms, the income has increased by more than three times. We have achieved this thanks to relatively high economic growth — an average of 6.8 percent annually. The outlook in the first two years of the Sixth Five-Year Development Plan remained encouraging. Our economy grew by 7.5 percent in 1994 and 8.1 percent in 1995. Growth is, however, not the final objective of economic development. Growth is a means of improving the people's welfare. Growth reflects the progress of an economy. Growth is, however, not the only yardstick to measure the success of development. Neither is per capita income. There is a no less important yardstick. This yardstick will become more important if we see development as a great struggle to achieve social justice for all people. The yardstick is the extent the people achieve progress or an equitable distribution of wealth.

From the beginning, we have perceived national development as a means of implementing Pancasila. This means that the final objective of our development will be social justice for all Indonesians. The trilogy of development is the basic policy of our development programs. We will achieve an equitable distribution of wealth through greater economic capability. We are thankful to God for our achievements. When development programs started, at least 60 of every 100 Indonesians lived below the poverty line. At present, less than 14 of every 100 Indonesians are regarded as very poor.

We will work together so that we will wipe out abject poverty through two five-year development plans at the latest. Social justice must reflect the people's ability to live in accordance with human dignity. Human dignity is strongly related to self-reliance. To become self-reliant, one needs a proper job. We have created so many jobs. Between 1971 and 1995, we created almost 44 million new jobs. Thus, we have slashed the unemployment rate by about half. The figures surpass the population of many countries or even the population of several countries combined. In addition, the productivity of Indonesian workers has increased. Between 1985 and 1995, their productivity increased by almost two times. Both the businessmen and workers have increased their productivity. Since the Sixth Five-Year Development Plan started, the minimum wages have been adjusted on a periodic basis. In 1995, the minimum wages increased by 55 percent compared to 1993. The current minimum wages have now covered 90 percent of basic needs and surpassed the minimum physical needs. Proper wages are also part of our efforts to allow our people to have human dignity. The growing wages have increased the purchasing power of large numbers of workers. They numbered 81 million in 1995. The higher purchasing power will also spur economic growth.

Of no less importance is the creation and expansion of markets not only for industrial products but also agricultural products. This will increase agricultural growth and the income of farmers.

The increase in agricultural productivity means an improvement in the level of education and health of the workers and of Indonesians in general. These fields have shown tremendous progress, progress that was recognized by the international community. The illiteracy rate among the people has declined from about 40 percent in 1971 to less than 14 percent in 1995. Currently, all school-age children are able to receive a basic education, even though there are still some who cannot complete the elementary school because of the economic problems their families face.

There have been improvements in stages at the institutions of higher education and at vocational schools. The efforts to create a race of wise people faced many challenges. For example, in order to intensify certain programs, no fewer than three five-year development plans were required in order for all Indonesian children to get their nine-year compulsory education.

The health sector has also improved, and the population is provided with more efficient health services. There are about 7,000 community health centers and 21,000 auxiliary community health centers spread all over the country and run by thousands of doctors, paramedical staff and midwives. There are 49,000 midwives posted in villages — which means that only one in 10 villages is without a midwife.

Providing health services and improved nutrition will reduce the infant mortality rate and increase life expectancy; reduce the rate of population growth; and improve the populations living standard.

The economic development that brings improvement to people's welfare cannot be detached from development in the agricultural sector. Self-sufficiency in food has rendered the Indonesian race become more self-reliant, and this is the most important factor in enhancing the national economy. We have a big population, and our main problem in the past, present, and future is to ensure that there are enough food supplies to meet consumer demand.

I can see that once we are self-sufficient in foodstuffs, we automatically become more self-reliant and thus provide farmers with the opportunity to take advantage of the domestic market for foodstuffs. Through various efforts, programs, and policies the current paddy harvest has reached an average of 4.3 tons per hectare. This means that the yield has increased twofold, when compared to the average of 2.13 tons per hectare in 1968. The increase in the yield from food crops has been totally enjoyed by farmers.

The farmers' standard of living has improved, even though not all are enjoying a better quality of life. However, we notice that many farmers' houses have been equipped with modern facilities. In fact, we can see parabolic antennas protruding from the roofs of farmers' houses in remote villages. Many farmers now own various kinds of motor vehicles. The increasing number of farmers going to Mecca to perform the pilgrimage is the key indicator that their economic status and welfare have risen.

The increase in agricultural productivity is the result of progress in agricultural technology that has greatly influenced the farming community. The culture of our

farmers is beginning to change. They are no longer just agrarian within the context that they do not depend on nature for their fate. They have inserted modern values in their farming methods. The culture of research and technology and a spirit of industriousness has spread to the agricultural sector. This is a very significant development for our nation, which is entering an era of developmental takeoff: the industrialization era.

It is impossible to carry out agricultural activities without water. Agricultural development is made possible by a dependable, available abundance of good-quality water. There are currently about 6 million hectares of irrigated land — 70 percent of the 8.5 million hectares of paddy cultivation area — in Indonesia.

Due to the limited land and paddy cultivation area in Java, new lands have been opened to cultivation in several districts. In Central Kalimantan, about 1 million hectares of peat lands will be turned into agricultural land. We have to resort to this measure even though the cost is high; otherwise, with the growing Indonesian population, we will face shortage of food crops. The world population is also increasing, whereas there is no expansion of the world's agricultural lands. From time to time, there is a shortage of food in the world, particularly rice.

When turning a peat area into paddy cultivation land, we will always consider the environmental aspects. The environment has become one of the determining factors in development programs. We care not only for the geographical environment but also for the social environment.

Economic development requires a huge investment. Apart from investing in human resources, investment in infrastructure facilities is equally important.

The construction of infrastructure facilities is aimed at creating equitability. For a vast and an archipelagic nation with a large population like Indonesia, the communication facilities will not only be a strong economic tool but also a means of stepping up unity and cohesion among the races.

Since the beginning of the development era, until the second year of the sixth five-year development plan, we have constructed not less than 267,000 kilometers of new ring, connecting, and local roads. These newly constructed roads are almost seven times the length of the equator. Now we can make an almost non-stop journey from Sindangan in Aceh, to Los Palos in East Timor by land roads or railway. The islands are interconnected by ferries.

There is a land road from Manado to Ujungpandang. More than 3,500 kilometers of the 3,900 kilometer trans-

Sulawesi road have been completed. The rest will be completed before the end of the seventh five-year plan. A major part of the 2,900 kilometer trans-Kalimantan road has been constructed. The remainder, to be completed under the current sixth five-year development plan, is only the 75-kilometer stretch linking West and Central Kalimantan, including a 901-meter bridge over the Barito River.

The trans-Irian highway, over 2,300 kilometers long, stretching from Sorong, Manokwari, Nabire, and Santok to Wamena will be joined with the Jayapura-Marauke trans-border road at Deli. More than 1,600 kilometers of roads will be constructed by the middle of the sixth five-year development plan. The rest will be completed at the end of the current sixth five-year plan and the next seventh-five year plan along with a 300-kilometer long uncompleted border road.

A 235-meter cable-stay bridge over the Mamberamu River will be completed this year. The construction of trans-highways in those large islands is not easy. There are a lot of obstacles. The geographical condition, rivers, mountains, and tall forests make the construction project costly and time-consuming. However, they are very significant to the development of the districts in promoting local economic potentials.

The construction of trans-island roads on smaller islands has not been ignored. For example, the 651-kilometer trans-north Flores road will be completed this year. About 330 kilometers of the planned 446 kilometers Siram road has been completed and the road is expected to be fully finished under the current sixth five-year development plan.

The numerous village roads constructed have brought the villages out of isolation. These roads were built by the local people, the local governments, and the central government.

As an archipelagic nation, sea communications are vital to the nation's survival. So far we have built 390 big and small ports, the majority of which are situated in the eastern part of Indonesia.

Isolated areas are served by local ferries covering 272 ports — from the Sibereut Islands on the west coast of Sumatera to the Sangir-Talaud Islands in the northernmost part of Sulawesi and the Aru and Tanimbar Islands in the easternmost part of the Arafuru Sea.

In addition, air transport is also important. The number of airports continues to increase during the current development period. We have built 118 small airports, the majority of which are located in the eastern part of Indonesia.

Construction of communications facilities has increased economic activities and growth and enhanced national stability. Long distances have been shortened. This has made Indonesia a united nation. Telecommunications and postal services have also become more efficient. The number of telephones has increased by almost 28 times to 4.8 million lines or a density rate of 2.5 per 100 people. Efficient long distance calls to foreign countries have greatly benefited investors and created an attractive business climate in Indonesia.

Telephone lines have linked not only big cities, but also subdistrict towns and even villages. At present, more than half of all subdistrict towns are capable of communicating via telephone. More than 38,000 villages — or over 58 percent of all villages in Indonesia — also enjoy telephone facilities.

The electricity generation program has not only served as an important economic facility but has also improved the welfare of people throughout the country. The electrical capacity has increased 23-fold from when we first began our development program. Half of our households enjoy electricity, with more than 39,000 villages receiving electricity at night. This means the electricity-generating program has covered more than 61 percent of the country's villages. The population's health and welfare are getting better with the growing supply of clean water, which is a basic necessity. At present, a majority of urban residents — about 83 percent — is already enjoying clean water facilities, as opposed to the 55 percent of rural residents.

Housing is another basic human need. We know that we have not been able to provide adequate housing for the entire Indonesian people. We have a very large population, so it is not easy to meet the demand for housing in a short time. However, we have built more than 1 million low-cost housing units, which provide shelter to millions of families.

The government is not the only agency that provides housing, because people build about 85 percent of the houses themselves. The government provides assistance by issuing regulations that stimulate housing development, and it supports investment in housing for ordinary people. Since the program began in 1976, housing ownership loans have reached more than 6 trillion rupiahs [Rp].

Another important aspect of the efforts to boost public welfare is rural development. Several development programs have been created to assist people in rural areas. All agricultural activities are basically rural development.

Primary education and public health programs exist mostly in rural areas, and their objective is to develop rural areas by stimulating their growth. The presidential decrees are also related to rural development. The Backward Village presidential decree, particularly, is aimed at rural development. In addition to this, there are also antipoverty programs the funds for which come from members of the public.

Villages are where Indonesian people are rooted. The majority of them still live in villages. Therefore, rural development has strategic value in distributing equitable prosperity. We want to solve injustice by developing rural areas. Paying great attention to rural development does not mean that we neglect urban development — especially in view of the growing urban population. It is estimated that the urban population will grow by 3 million annually. If this trend continues, the majority of the people of Indonesia will live in urban areas by the end of the Second Long-Term Master Development Plan. Urbanization will naturally cause pressures in the cities. We already feel the symptoms in our big cities in the form of social problems such as crime, violence, moral decadence, and environmental degradation. This explains why conflicts can arise more easily in cities, and the conflicts are often used for political purposes. However, this can be solved by increasing economic and social facilities and improving public services. Rural development can also help solve the problems of population migration to the cities.

We must make efforts to ensure that educated people in rural areas stay where they are and become pioneers of modernization. Therefore, we have launched modernization programs in rural areas, concentrating on agrobusiness and agroindustry programs. To ensure that educated people remain in rural areas, we must promote entrepreneurship and provide adequate facilities such as capital and technology. As a whole, rural and urban development must go together in the framework of national and local development. The government has allocated a considerable amount of funds to promote rural development. Even state revenues from land and building taxes even been spent for rural development.

Transmigration is one important contribution to rural development. A shortage of manpower is one of the problems faced by many rural areas in Indonesia, and a transmigration program is one way to cope with it. Transmigration programs have thus far produced mixed results. However, thanks to past experience, the programs are getting better. Thanks to transmigration programs, rural areas that previously faced food shortages have now been turned into areas with surplus food. The scope of transmigration programs has been expanded, and it is producing satisfactory results. This has led more peo-

ple to decide to join transmigration programs. In both the western and eastern parts of Indonesia, rural development has been accelerated through cooperation with neighboring countries with borders on our provinces.

Honorable session: With our growing rural development program, our basis for becoming an industrialized country is getting stronger and stronger. We are encouraged by the fact that our national industry continues to grow rapidly. There is an economic slowdown, but it is caused by world markets and increasing competition from other developing countries. Industrial progress has changed our economic system, which has even surpassed our target.

We will continue to promote small and medium industries until a solid and dependable national industry structure is established with medium industries serving as the backbone, which will serve both big and small industries. In this connection, capital allocation for small industries is crucial. Several types of loans for small businesses with favorable requirements have been available since the beginning of the First Long-Term Master Development Plan. Following an improvement of the loan allocation system in 1990, the Small Business Loan scheme was introduced. By the end of 1990, more than Rp21 trillion was allocated through this scheme to about 3.7 million businessmen. By the 1995-96 fiscal year, the scheme had doubled to more than Rp42 trillion benefiting more than 6.7 million small businessmen. The total amount of the Small Business Loan scheme stood at nearly one quarter of all banking loans.

Efforts to assist small businesses are clearly evident in the Rural Savings scheme. When it was first launched in the 1983-84 fiscal year, the Rural Savings scheme stood at only about 30.7 billion rupiah for about 161,000 businessmen. Now the scheme stands at 3.3 trillion rupiah for 2.3 million businessmen.

In addition to the banking loan scheme, there are also several other funding sources, including the venture capital system, which is now being promoted among the business world. Several business conglomerates have agreed to raise funds so as to assist small businessmen through several partnership programs. In addition, there are also funds derived from profits made by state enterprises for the promotion of small businesses.

Efforts to assist economically weak businesses are also made via cooperatives. The promotion of cooperatives is in line with our constitution because cooperatives will also help build economic democracy on a solid foundation. When we first launched the program, there were only about 9,000 cooperatives with 1.5 million members. Now there are more than 46,000 cooperatives with 26.3 million members. Cooperatives activities have

spread far and wide. Now there are 9,200 village cooperatives that serve as economic engines in the rural areas. There are even 6,000 village cooperatives that have turned into lucrative or self-supporting ones. Cooperatives in urban areas, such as employees cooperatives, have also made progress.

The cooperatives' scope of operations has also expanded. Earlier, the scope was restricted to loans and savings, agricultural counselling, and products marketing, but now it also covers estate plantation, fishery, livestock breeding, handicrafts, metal industries, mining, rural transportation, telecommunications service, and others. The expansion of activities reflects the increasing business value of cooperatives. In the First Long-Term Master Development Plan, the business value of the cooperatives was only Rp74 billion but in the 1995-96 fiscal year, it stood at Rp10.8 trillion — extraordinary growth indeed!

We are aware that cooperatives have not developed to the level we desire. Their role in the national economy is still small while their participation in the business sector is still limited. Therefore, we must continue to make greater efforts toward that end. The growth of small businesses and cooperatives will be conducive to income distribution, strengthen economic growth, and consolidate the country's economic independence as a result of the growing independence of members of the public. As such, it will also strengthen development continuity and economic stability.

Honorable session! We are relieved that we have capitalized on the economic growth to enhance prosperity and distribute equal wealth. At the same time, we continue to maintain economic stability so as to manage the macro economy. In line with our high economic growth, we also detect an overheating economy as reflected in our current account deficit and inflation rate. In the second year of the Sixth Five-Year Development Plan, our current account deficit has increased from U.S.\$3.5 billion to U.S.\$6.9 billion. One of the reasons for this is the swelling imports as a result of the growing investments that we indeed try to promote. In the 1995-96 fiscal year, the current account deficit stood at about 3.3 percent of GDP. A neighboring country with high economic growth is facing a current account deficit two or two and half higher than our own deficit. Based on this comparison, we can say our position is still safe. However, in terms of our deficit projection at 2-percent during the Sixth Five-Year Development Plan, our deficit is quite high. Our inflation rate is also still high. At 6 percent, it is higher than the revised target in the Sixth Five-Year Development Plan. Our inflation rate stood at 9.2 percent in 1994 and decreased to 8.6 percent in 1995. Therefore, we must continue to make serious efforts to

ensure that the inflation rate does not surpass the target. We must continue to cool down our economy by adopting several integrated policies in the monetary and fiscal sectors. After launching several measures, we hope that our economic engine will return to normal. We must ensure that our growing economy is always healthy.

One of the important things to which we must pay attention is the repayment of foreign debts. From the beginning, we have viewed foreign loans as something that complements our development, that should be given under the most favorable circumstances, that does not obstruct growth, that is able to help facilitate development efforts, and to which no political strings are attached. We have used foreign loans efficiently and this has borne concrete results. We are now moving toward economic independence stage by stage. Meanwhile, we must repay our foreign loans, while the amount of interest will grow annually. This is why we must actively seek domestic sources of funds to speed up our debt repayment.

In the second year of the Sixth Five-Year Development Plan, we have four times made early payments totalling almost \$1.5 billion or about Rp3.4 trillion. The amount came from the sale of Indosat Co. Ltd., Timah Co. Ltd., and Telekom Co. Ltd. shares on the world stock market. In addition to this, in fiscal year 1996-97, we have also made early payments worth \$579 million or about Rp1.4 trillion. The amount came from our budget excess, money we managed to save through our continued efforts to boost state income and reduce state expenditures. We will continue to speed up our foreign debt repayment through the sale of shares of state enterprises. The state enterprises are now being streamlined so as to be listed on the international stock market. As such, we will reduce the foreign debt burden for the coming generations, who will instead enjoy the fruits of the development we are now implementing.

Fellow countrymen: I have asked all of you to retrace the path we have taken in the past, up to the present — namely, the 51st anniversary of our beloved republic, or when the New Order marks its 30th anniversary.

The New Order government has now passed 30 years of its existence, but the history of our nation still has a long way to go. If we look back, we can see the rich experience we have gained from our struggle. We have overcome many obstacles. Sometimes we become careless when the journey is too smooth, and sometimes we also make mistakes. If the goal of our struggle is comparable to a mountain peak, our position now is obviously at a higher plateau than when we first started our journey. From this current level, we can clearly see the long, winding road we have traveled.

As a nation, we have learned from our past experiences. Experience, in the form of failures and successes as well as its bittersweetness, is the best teacher. We have learned from our mistakes and shortcomings which of them we must not repeat. We have learned from our successes which of them we will use for future reference. Our successes have heartened and encouraged us to look at the future confidently. We are unhappy when we look at our unsolved problems and past mistakes, but we cannot just talk about our unhappiness over and over. We must turn our unhappiness into a force to overcome what we feel unhappy about. Continued unhappiness may make us disappointed, make us desperate, and make us lose our self-confidence. It is very dangerous if we lose our self-confidence as a nation. Therefore, we must never lose our self-confidence. We have persistently distributed the fruits of development and improved people's welfare. We have worked hard to boost our economic growth, as well as maintained our dynamic national stability in the political and economic spheres.

After we take a short rest to review what we have achieved, let us continue our long journey, so as to realize the Pancasila society — a society that is just, progressive, and prosperous. Let people from all walks of life, all groups, and all generations work together harder, and more closely! Let us remind one another if some of us are careless or are moving in the wrong direction. Let us comfort one another when some of us are exhausted. Let us extend our hands to those who are still behind us. Such is the spirit emanating from the Pancasila ideology.

May Almighty God bless all of us! Thank you. May peace be upon you!

Indonesia: Military Vows To End Kidnapping; 2 Hostages Escape

BK1808104996 Jakarta KOMPAS in Indonesian
18 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jayapura, KOMPAS — The Trikora 8th Military Region Command will immediately settle the case of 11 workers of the Jayanti Group who were kidnapped by a band of robbers headed by M. Yogi at the temporary camp of the Jayanti Group at Mimika Timur, Fakfak District at 0400 East Indonesian Standard Time last Thursday (15 August). Originally, 13 workers were kidnapped, but two of them — Ma'rif and Bibit — managed to escape.

"If possible, the case will be settled within three days (prior to the handing over of the post of commander of the Trikora 8th Military Region Command slated for

Tuesday, 20 August). As before, we will not conduct any negotiations because this was clearly a robbery case," Major General Duniya Darwita, commander of the Trikora 8th Military Region Command, said following a ceremony where Maj. Gen. Johnny J. Lumintang, outgoing chief of staff of the Trikora 8th Military Region Command, handed over his post to Brig. Gen. Suadi Atma at the headquarters of the Trikora 8th Military Region Command in Jayapura on Saturday afternoon (17 August).

According to Duniya, the military command has dispatched 176 personnel to the kidnapping site. "All are from the 503d Battalion, the Trikora 8th Military Region Command. Some from the Army Special Force are on duty here (belonging to Maleo 19 Unit)," he said. [passage omitted on background of kidnapping]

Indonesia: MP Urges 'Quick Action' to Irian Jaya Hostage-Taking

BK1908033796 Jakarta KOMPAS in English
19 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Jakarta, KOMPAS Online — Commission I [Roman numeral one] of Parliament expects quick action against the taking hostage of 11 personnel from the Jayanti Group at East Mimika, Fakfak Regency, Irian Jaya. Firm and quick action must be taken considering the condition in Irian Jaya with its dense forests.

"The security forces state that the action is purely criminal, has no political background or foreign interference and it is therefore easy to overcome. The security forces must therefore take quick actions so that the problem will not drag on and repeat again," the chairman of Commission I of Parliament Mrs. Aisyah Amini told KOMPAS in Jakarta, Sunday (18 August) [passage omitted]

Aisyah was convinced that the affair was purely criminal without political background, otherwise there would be no robbery. Nevertheless, she hopes that the Government really controls adherence of HPH [forestry concessionaire] licence holders to Government rules and regulations whether selective cutting which is not destroying the environment is really implemented.

Aisyah is convinced that the people expects an immediate solution of the problem. She supports the security forces from the police backed by the military in handling this case and avoid unwanted developments.

Meanwhile Marcel Beding from the PDI [Indonesian Democratic Party]-faction has the opinion that this case shows that something is still wrong in Irian Jaya and the basic problems have to be sought and solved.

Indonesia: Court Rejects Trade Unionist's Subversion Appeal

BK1908052596 *Hong Kong AFP in English*
0511 GMT 19 Aug 96

[FBIS Transcribed Text] JAKARTA, Aug 19 (AFP) — A court Monday rejected an appeal by independent trade unionist Muchtar Pakpahan that his arrest on subversion charges was illegal.

"The demand by the plaintiff is totally rejected," said Judge Hasan Machyudin at the South Jakarta Court.

Pakpahan was arrested at his home in East Jakarta two weeks ago and charged with subversion. He has been held in a cell at the Attorney General's Department ever since.

Pakpahan was prevented from speaking to a crowd of journalists by authorities from the Attorney General's Department who accompanied him.

The trade union leader, wearing the traditional black peci cap, looked frail and unhealthy.

Pakpahan filed the pre-trial suit against five officials of the attorney general's office for detaining him illegally.

He claimed the warrant was illegal because it mentioned subversion but failed to refer to specific actions or details of the crime.

"The warrant contained enough detail on the charge for which the suspect was arrested," Judge Machyudin said.

Subversion carries the maximum penalty of death and allows authorities to hold a suspect for up to a year without trial.

Machyudin said Pakpahan would have to pay the cost of the pre-trial. He also rejected Pakpahan's compensation claim of one million rupiah (425 dollars) a day for the period of detention.

Indonesia: Officer Vows To Investigate 'Whoever' Involved in Riots

BK1908031896 *Jakarta KOMPAS in English*
19 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — Lieutenant General Syarwan Hamid, chief of the Social and Political Staff of the Armed Forces clarified that whoever was involved in the 27 July disturbances and the PRD (Democratic People's Party) will be investigated and checked. The Armed Forces want to solve this problem totally so that there will be no reoccurrence.

"Whoever is involved, directly or not. We want to solve this. This means," Lt. Gen. Syarwan Hamid said after the session of the Parliament on Friday (16 Aug).

According to Syarwan, PRD's idea will be checked again if it is not suppressed. After that, he said that the names of the intellectual will be checked automatically during the investigation. We have to check and recheck again.

About the secretary of the Voluntary Victims of the 27 July incident, Ig Sumardi SJ [Catholic priest], he said person would be investigated and developed. Regarding the refusal of Sai Budiman Sujatmiko as being not involved, he said that other people will give the evidence will enable the authorities to take the action.

Suryadi will be investigated

Meanwhile the chief of police, Lt. Gen. stated that the Chairman of the Central Executive Committee of the PDI (Indonesian Democratic Party) Congress will be called in connection with the seizure of the PDI Secretariat building at Jl. Sudirman. It will be handled by police.

Thus far only Megawati and her friends are involved in the case of Budiman Sujatmiko.

The Committee of Human Rights demanded from Suryadi a complete investigation of the Secretariat building and the individuals involved in the seizure.

Clementino Dos Reis Amaral from the Team of Komnas HAM said that they will submit a report for their report. He reminded Butu general of the PDI that they were not to ignore Suryadi's explanations, while they are in the field.

Meanwhile one of the advisors of Lt. Gen. Mokhtar Pakpahan, Luthfie Hakim, said that he has received the prolongation of the investigation until 28 September signed by the Central Jakarta, Basrief Arief. This is the Director of Subversive Crimes.

Indonesia: TEMPO Interviews PDI Official

BK1808075396 *Jakarta TEMPO in English*
10 Aug 96

[Interview with Kwik Kian Gie, executive secretary of the Indonesian Democratic Party official, by]

dent Suwardi in Jakarta, date not given — received via Internet]

[FBIS Translated Text] [Suwardi] Many people believe that foreign investors are now preferring to wait until 1998 before they decide to invest in Indonesia. Do you believe there is such a trend?

[Kwik] Yes. This trend is evident from my personal conversation with several people closely related to foreign investors like big foreign banks, foreign country risk analysts, and foreign press in particular. A highly respected and influential foreign magazine, in its 3 August 1996 edition, managed to carry two long feature stories, which clearly reflect its concern for Indonesia's short-term political stability. As for the long-term stability, the magazine quoted John Maynard Keynes as saying **in the long run, we are all dead**. As such, the magazine seemed to stress the importance of short-term stability.

I also heard from reliable sources that many Indonesian business conglomerates had fled to Singapore after the riots in Jakarta on 27 July 1996. While it is true that these people have now returned because the incident lasted for only one day and the situation returned to normal, many shops along Jakarta roads were still closed up to 1 August.

[Suwardi] Could you give me the estimated number of foreign investors who are preferring to wait until 1998?

[Kwi] It is hard to tell the exact number because I need to have reliable data, which I do not have. They may consist of a large number of people because for small investments investors need not consider the short-term, medium-term, or long-term political stability of a country. Only big investors always consider a country's political risk.

[Suwardi] Why do foreign investors act the way they do? Has the 27 July incident had a big impact on them? What about the political situation in the future, especially when it is related to the 1998 national leadership succession?

[Kwik] Analysts always ask the question why Megawati Sukarnoputri must be ousted as PDI [Indonesian Democratic Party] leader by 1997. There have been strong rumors in the past one and half years that a very powerful force wanted to see the ouster of Megawati by 1997. The rumors turn out to be true and we all know how Megawati was ousted. Therefore, the discussion leads to why she must be removed. The answer is that her ouster is closely related to the 1998 national succession. If Megawati were allowed to lead PDI until 1998, I believe nothing spectacular would happen. Even if she is nominated as a presidential candidate in 1998, she will

certainly be defeated by Pak [Mr] Harto in a voting session. The question is why she had to be removed in such a deceitful and risky way? This will only make people ask the question: what is really happening? Nobody has so far given a logical answer as to why Megawati must be removed by 1997. Now that rumors have become reality, many people now speculate that it must have been Golkar's [Functional Group] assumption that under Megawati the PDI may indeed win the elections! To my mind, such a speculation is **absurd**. I believe Golkar will retain its **single majority** again. Now that Megawati is already ousted, a lot of questions emerge and this leads to uncertainty, which in turn is causing foreign investors to delay their investment until 1998. Their reasoning is that it is not a long time from now.

What foreign investors want to know most is who will be the president in 1998? If it is Pak Harto again, who will be the vice president? It is crucial for foreign investors to have an accurate analysis of the character, personality, and ability of and public support for a country's leadership.

The next question is whether the 27 July incident has had a big impact on the investors' **wait-and-see** attitude. I believe the incident cannot be viewed as an isolated event. Foreign press have viewed the incident as a manifestation of people's pent-up dissatisfaction, which has not been given a proper outlet in a peaceful and constitutional way. The foreign press tends to look at the incident as a manifestation of people's feeling, not as the root cause of a problem. I want to stress here that the foreign press may not always be correct in its analysis, but foreign investors read and trust the foreign press.

As for which one has more impact on the people — the 27 July incident or our political future — I believe both have an equal impact. What is most important is that the new government, produced by the 1998 general session of the People's Consultative Assembly, should be able to present new economic plans accepted and supported by the business circle. In this connection, the president's health and succession issue are also very important. This explains the trend why foreign investors are tending to delay their investment until 1998.

[Suwardi] Does it mean that there will be no foreign investments at all before 1998?

[Kwik] It is not like that. Big investors will adopt a cautious stand. As for the relocation of small manufacturing industries to Indonesia, I believe this will continue.

[Suwardi] You once said that the **tax holiday** incentive, which will be introduced by the government, should take effect during the 1997 general elections or 1998.

What is the reason? If the reason is to counterbalance the prevailing anxiety on political stability, do you think the **tax holiday** incentive is adequate?

[Kwik] I am not sure and even doubt that the **tax holiday** facility will be able to counterbalance the political uncertainty. To get the maximum results, I propose that the **tax holiday** should be applied to current investments up to 1998.

[Suwardi] Do you think that the **tax holiday** facility alone is adequate to boost investments regardless of the political uncertainty?

[Kwik] The problem is that Indonesia is not the only country that gives **tax holiday**. Other countries like the PRC also do the same and they even have other incentives to attract foreign capital. In this connection, the question is whether our country will still be able to attract foreign investments with its **tax holiday** facility? I doubt it. I continue to believe that true political stability based on democracy, transparency, legal protection, and consistent policies are more important than ad hoc, pragmatic incentives.

[Suwardi] What are the actual factors taken into consideration by foreign investors when investing here? What about the several economic deregulation packages launched by the government?

[Kwik] What is most important for foreign investors to consider is the type of industry they are allowed to invest in. They will then calculate the profitability of their investments. In their calculations, they will also include expenses to pay corrupt officials. Therefore, they do not care whether a country has corrupt officials or not, or whether a country has deregulation packages or not. They want to know the total amount of money they must spend to pass all the obstacles. In other words, they must make sure how much money they must spend to make things go smoothly.

[Suwardi] Why is the level of realized capital investment in Indonesia still low? Do the problems exist with us or the investors?

[Kwik] With us. The fact that investors have applied to invest here is proof that they are interested in us, but when they decide to cancel or fail to realize their investment, there must be a certain situation or climate they consider as unfavorable.

[Suwardi] Our current trade deficit stands at \$6.9 billion for the 1995-96 fiscal year and will possibly be higher this fiscal year. Do you think that realized foreign investments and overseas loans will be able to deal with the deficit?

[Kwik] For now, the answer is in the affirmative. The high current account deficit will not affect our foreign reserves because of the foreign investment flow into the country. However, the deficit is projected to grow bigger in the coming years. We must closely watch whether foreign investments will also grow in the coming years.

[Suwardi] The government decided to devalue the rupiah in 1978, 1983, and 1986 when our current account deficits at that time were not as high as the current one. But now, the government has assured that there will be no rupiah devaluation. What is the government's main support now?

[Kwik] The government's main support is the foreign investment flow in the form of foreign exchange currency, not its higher export value. However, the World Bank has projected that the balance of payments will continue to be in the red.

[Suwardi] The government has recently given an assurance that our economy is stable and the country is attractive as an investment destination. Will this assurance be able to maintain foreign investors' confidence in our country?

[Kwik] From the business point of view, Indonesia has a large population whose purchasing power continues to grow. Foreign investors see us as an attractive market. Indonesia will continue to attract foreign investors who want to produce goods and services for Indonesian consumers. Few investors want to invest here and sell their products overseas. While Malaysia, Thailand, and Singapore are attractive as production bases to supply ASEAN market, Indonesia is attractive only because of its vast market.

A country is suitable for investment if it has political stability, healthy competition, equal access to all, low operating costs, clean and dignified government, and other factors.

Laos

Laos: Seminar on Preparations for ASEAN Membership Held

BK1608133096 *Vientiane KPL in English*
1029 GMT 15 Aug 96

[FBIS Transcribed Text] Vientiane, August 15 (KPL) — Lao officials had a chance to develop their skills and learn from the experiences of Thailand yesterday morning when they attended a seminar organized as part of Laos' push for ASEAN membership.

The steering committee of human resources development of the Lao PDR [Lao People's Democratic Republic], in collaboration with the Socio-Economic Develop-

ment Council of the Kingdom of Thailand, organised a joint seminar at the Novotel hotel.

Taking part in the seminar were Mr. Vilaivan Phomkhe, deputy-minister to the Prime Minister's Office, director of the Administration and Personnel Management Department, Mr. Thammalak Kanphisit, under-secretary of the Socio-Economic Development Council of the Kingdom of Thailand, and officials from both sides.

The seminar provided a chance for the officials of the two countries to discuss various issues with the aim of improving the efficiency of personnel training at the executive and operational levels.

The training is part of preparations being made for Laos' admission to the Association of South-East Asian Nations (ASEAN).

The ASEAN nations at the moment are Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. Laos and Cambodia are expected to be admitted to ASEAN next year.

The Lao participants in the current seminar also heard the experiences of Thailand as an ASEAN member.

The seminar, the second of its kind, was designed to foster the brotherly and neighbourly ties of friendship and cooperation between Laos and Thailand.

The seminar was sponsored by the Socio-Economic Development Council of Thailand.

Laos: Border Conference Held With Vietnamese Commission

BK1608132996 *Vientiane KPL in English*
0945 GMT 16 Aug 96

[FBIS Transcribed Text] Vientiane, August 15 (KPL) — The sixth conference of the border commission of Laos and Vietnam which opened on August 7 ended here on Monday.

The conference reached an agreement on the border between the two countries which will be used as a reference by the relevant ministries and other concerned sectors.

The sixth conference is designed to carry on from the agreement on the border signed with the Socialist Republic of Vietnam on March 1, 1990. The agreement was signed in Ho Chi Minh City, with a memorandum of the fifth conference on the border between the two countries.

The participants at the conference evaluated the implementation of the fifth conference's memorandum and reviewed strong points and shortcomings of the agree-

ment. The objective of the conference was to create peace and friendship along the border between the two countries.

The sides additionally exchanged views on how to improve and update the current agreement to suit the reality of the countries, and worked out the future plan of cooperation.

The Vietnamese delegation also paid a courtesy visit to Vice Premier Khamphoui Keoboulapha to inform him of its achievements during its working visit to Laos. The delegation visited production and ancient sites in the provinces of Luang Prabang and Vientiane. The Lao delegation at the conference was led by Mr. Phongsavat Boupha, deputy foreign minister, while the Vietnamese delegation was led by Mr. Tran Cong Chuc, chairman of the Vietnamese-Lao Border Commission. Also attending the conference were representatives of concerned ministries, and the border authorities of ten provinces which join the common border.

Laos: Vietnamese Education Delegation Arrives for Visit

BK1608140196 *Vientiane KPL in English*
0949 GMT 16 Aug 96

[FBIS Transcribed Text] Vientiane, August 16 (KPL) — A delegation of the Ministry of Education and Training of the Socialist Republic of Vietnam, led by its deputy minister Mr. Tran Xuan Nhi, arrived here yesterday on a working visit to Laos at the invitation of the Ministry of Education of Laos.

This visit to Laos by the Vietnamese delegation is in the framework of the economic and cultural agreement reached between the two neighbours.

The visiting delegation will take part in the hand-over ceremony of a general school for ethnic groups in Savannakhet Province due to be held today in this central province. The construction of the school funded by Vietnam commenced in September last year.

During the visit, the delegations of the two ministries will discuss assistance for the construction of a similar school in the northern province of Oudomsai, and share lessons and experience in the field of education with the aim to develop and strengthen the bilateral relations and cooperation between the two ministries.

Laos: Community Awareness on Unexploded Bombs Stressed

BK1908071496 *Vientiane VIENTIANE TIMES*
in English 9-15 Aug 96 pp 1, 11

[Unattributed report]

[FBIS Transcribed Text] More than 275,000 children in Laos are at risk of injury from unexploded ordnance (UXO), bombs dropped during the Indochina War that remain strewn through the northern and western parts of the country.

Teaching materials on the dangers of bombs will soon be introduced into primary school classrooms in Laos to heighten the awareness of children to their dangers.

These plans were the focus of a meeting last week of the Lao National UXO Programme (UXO-Lao), held at the Ministry of Labour and Social Welfare. It was the third meeting of the Community Awareness Technical Working Group of UXO-Lao.

"We are working to include education about bomb safety in the school curriculum," said programme management advisor of UXO-Lao, Ian Mansfield.

First, primary school teachers will learn about bomb safety and then be taught how to impart this information to children and other teachers, through a project of the United Nations Children's Fund (UNICEF). UNICEF intends to integrate information about UXO safety into its project to upgrade teaching skills — the Network for Teacher Upgrading Project.

"Test curriculum materials will consist of one 12-page comic book and a 16-page school reader," says UNICEF's draft proposal on the work. "Each will contain a series of short illustrated stories to support basic reading skills and to provide indirect UXO safety messages."

The main messages are: "Don't touch UXO, mark the UXO when you find it and report it to a district or village officials. Eventually, trained experts will come to destroy the UXO."

The initial phase of UNICEF's programme will focus on the 600 schools in the provinces of Houa Phan, Khammouane, Xieng Khouang, Savannakhet, Saravane, Sekong, and Attapeu. UNICEF plans to carry out its programme over a five-year period beginning in August 1997.

In addition, informal education tools, like posters, stickers, videos will help raise awareness about UXO among all people in communities. Discussion groups, role plays and story-telling techniques will also be used.

"UXO-Lao itself will employ people and train them and they'll go to the villages warning people about the bombs," said Mr. Mansfield.

Plans to conduct a nation-wide survey to determine where the UXO presents the biggest threat to people, were also discussed at the meeting last week.

"We will go to every village and district and try to find out the exact extent of the UXO problem " said Mr. Mansfield. "The survey will take about one year to complete and when it's finished we will know exactly which areas are affected and how badly. We know already some provinces are badly affected, like Xieng Khouang, Houa Phan and Savannakhet but we need to know exactly which districts and villages have the worst problem."

A non-governmental organization called Handicap International (HI) will carry out the survey.

"The survey is extremely important. It's the first step in this whole national programs," said Mr. Mansfield. The total cost of the survey is U.S. \$481,000.

Of this, \$400,000 is coming from the Swedish Government, through UNDP. The Charge d'Affairs of Sweden to Laos, Olof Milton, said his government is happy to make this contribution.

"The survey will help UXO-Lao prioritize its work, and will reveal in detail the severity of the problem," he said.

The additional U.S. \$81,000 will be provided by the UXO-Lao trust fund which has received donations from UNDP and the governments of Norway, United Kingdom, the Netherlands, Australia and New Zealand.

The German government has also offered a package for assisting clearance work in Houaphan province.

Mr. Mansfield said Lao nationals will be trained in bomb clearance techniques at the training centre at Nam Souang village, 48 km from Vientiane, and the German government grants will then pay their salary, and provide the vehicles and equipment. The centre is currently staffed by U.S. technical advisers.

Many organizations participated in the UXO-Lao community awareness meeting including the Lao Red Cross, the Mines Advisory Group (MAG) and other nongovernmental organizations working in community development, and mass organizations like the Lao Women's Union. Representatives of the Ministry of Information and Culture and the Ministry of Education also attended.

Philippines

Philippines: APEC Call for International Food Standards Backed

BK1908055596 Manila BUSINESS WORLD
in English 19 Aug 96

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] The Philippines is supporting the call of the Asia-Pacific Economic Cooperation (APEC) forum to establish a region-wide international standards body that would determine the safety and quality of food products among member economies.

Senior officials attending the ongoing APEC subcommittee meetings in Davao City said this will eliminate the "tedious and expensive" process of multiple testing of food products, making food products better in quality and cheaper.

Jesus Motoomull of the Department of Trade and Industry, chairman of the APEC subcommittee on standards and conformance, said APEC wants to come up with a Mutual Recognition Arrangements (MRAs) for food products based on the "once tested, tested everywhere" principle. "This will benefit our exporters because what happens is that there will be no more multiple testing in case we export our products within the APEC," he said.

Foreign Affairs Undersecretary Federico Macaranas, the government's pointman in APEC, said among the food products which would be included in the MRA are fish products like prawn and shellfish, as well as mangoes, bananas and other fresh fruits.

The Philippines is one of the world's largest producers of mangoes and bananas. But the strict requirement imposed by importing countries like Japan, South Korea and Australia on the entry of fruits into their market make it difficult for these Philippine exports to capture a larger share of their markets.

Mr. Macaranas explained that should APEC accredit the Bureau of Food and Drugs (BFAD) to certify a product's safety, then BFAD-cleared mangoes, for example, would no longer be subjected to further tests in the importing country.

"This would lessen controls and facilitate release at entry points and minimize rejects. It will result in fresher and cheaper food products for consumers," he said.

At the same time Philippine products can be aligned with the existing Codex Alimentarius, an international standards body which handles the standardization work for food products. Mr. Macaranas said this will make the country's food products become globally competitive.

Meanwhile, Mr. Motoomull said the APEC MRAs, which will also address truth-in-labelling and fitness-for-consumption of food products, will benefit consumers since both the exported and imported food products will be properly labeled and include expiry dates and product contents.

The liberalization of trade on agricultural products among APEC's member economies is one of the more contentious issues being threshed out by the grouping's officials.

Philippines: SmartCard Visa for APEC Traders Effective in Nov

BK1908082696 Manila MANILA BULLETIN
in English 19 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Davao City (via PLDT) — By November this year, businessmen from member economies of the Asia-Pacific Economic Cooperation (APEC) holding a SmartCard will not need a separate passport and visa to enter the Philippines, Australia, and Singapore, Philippine Foreign Affairs Undersecretary Federico M. Macaranas, chair of 1996 APEC senior officials' meetings (SOM) said.

In a briefing with government officials of southeastern Mindanao, Macaranas said part of the trade and investment liberalization and facilitation measures to be adopted by APEC is the use of an APEC-wide SmartCard to facilitate mobility of APEC businessmen.

A SmartCard is an electronic card that contains the holders' personal data and details for travel clearance between economies by selected business people.

Macaranas explained that instead of going through the bureaucratic maze in obtaining a visa entry to every APEC member economy for every visit, all that a businessman from any of the APEC economies needs is SmartCard which upon arrival in a country, would be swiped through a machine like a credit card.

Macaranas said Singapore may also adopt the SmartCard visa system by November.

Philippines: Sultan of Brunei on Manila-MNLF Peace Process

BK1908014596 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 18 Aug 96

[FBIS Translated Text] President Fidel V. Ramos and First Lady Amelita Ramos stood as sponsors at the wedding of the daughter of Sultan Hassanal Bolkiah of Brunei. Just before the wedding ceremonies, the sultan met with the president and first lady in the palace.

During the meeting, Sultan Bolkiah hailed the government's efforts at attaining peace in Mindanao. The sultan said that a peaceful Mindanao will not only benefit the Filipinos, but the East ASEAN Growth Area, or EAGA as well. With peace in Mindanao, the people there can now devote their attention to economic growth and development in the region. Bolkiah has also expressed hope that peace in Mindanao will hasten the operation of the East ASEAN Growth Area.

Meanwhile, President Ramos has relayed to Sultan Bolkiah the creation of Special Zone of Peace and Development or SZOPAD in Mindanao. Sultan Bolkiah has assured the president that he will give full support to the Ramos administration, and he will pour in investments as soon as the SZOPAD is implemented.

On the other hand, another wedding guest expressed support for the peace efforts in Mindanao. According to Thailand's Deputy Prime Minister Amnuai Wirawan, he is glad that the 24 year-old conflict between the Philippine Government and the Moro National Liberation Front (MNLF) will soon end. Likewise, Siti Hardiyanti Rukmana, daughter of Indonesian President Suharto, has also congratulated President Ramos for the fruitful outcome of the negotiations between the Philippine Government and the MNLF.

Thailand

Thailand: Chat Thai 'Controversial Figures' Set To Enter Cabinet

BK1708092096 Bangkok THE NATION in English
17 Aug 96 pp A1, A3

[Report by Rattanawali Mahaphonsirakun and Piyanat Siwalo]

[FBIS Transcribed Text] Three controversial figures — Sano Thianthong, Waithana Atsawahem and Newin Chitchop — are set to assume the key Cabinet posts of interior, deputy prime minister and industry respectively as part of Prime Minister Banhan Sinlapa-acha's last-ditch attempt to stay in power, informed sources said yesterday.

The only hurdle appeared to be the Thoe Thai faction's insistence that a Cabinet reshuffle take place before the imminent censure debate, while Banhan wants to wait until after the no-confidence session.

"Everything looks set after a series of negotiations," a source claimed. "The only question left is when a reshuffle will be announced."

Waithana, a deputy Chat Thai leader, has been sidelined because of drug allegations made by the United States. Newin was removed as deputy finance minister after a

Cabinet reshuffle in May because of his image when he ranked at the bottom of most opinion polls.

Public Health Minister Sano has been struggling to shake off his "provincial boss" image which has hampered his aspirations to be interior minister. Recently he threatened to sever his ties with Banhan following a series of conflicts.

But the most serious threat to Banhan's fragile position is Thoe Thai, which made no secret of its plan to revolt if the prime minister failed to return key Cabinet posts to the faction.

Banhan badly needs the Thoe Thai faction's support during the censure motion. But a pre-censure reshuffle that gives posts to controversial characters could spark a major backlash and hand the opposition even more ammunition that could be used against him.

Thoe Thai, on the other hand, is afraid of being betrayed by the prime minister. As far as the faction is concerned, the worst scenario is that the prime minister survives the no-confidence attack with its support and then boosts his status by bringing an opposition party into the coalition while ignoring the group.

Government spokesman Somsak Pritsanananthakun said a Cabinet reshuffle will definitely take place after the censure, but Deputy Prime Minister Samak Sunthorawet said the reshuffle could occur before the no-confidence debate.

"I have heard that Newin will definitely come back," said Samak, adding that another Cabinet seat would likely go to Phairot Suwannachawi, another Thoe Thai key man.

Somsak said he did not know whether Banhan had actually struck a deal with Newin. The spokesman also asked Newin to be patient and trust the prime minister, "who always keeps his words".

Sources said Thoe Thai was pushing for three men — Newin, Phairot, and either Kasem Rungthanakiat or Thani Yisan — to be given Cabinet posts. The group wants Phairot to replace Soemsak Karun as deputy finance minister.

The future of Suchat Tancharoen, a faction leader, was still unclear because of his image. But if he failed to be included in the Cabinet, he would still play an influential role as group manager, the sources said.

Suchat, who has laid low since being forced to resign in the wake of the May censure debate, sprang back to public eyes with a bang yesterday, hurling serious charges against Phalang Tham Party (PDP) leader Thaksin Chinnawat at a press conference.

Suchat claimed Thaksin pulled the PDP out of the government because he was afraid that he would be a key target of censure attacks. According to the Thoe Thai key man, Newin has key information which could be used against Thaksin in connection with traffic projects and the Bangkok Bank of Commerce (BBC) scandal.

"He just wanted to escape a censure. He was afraid that Newin would take revenge on him by giving the information to the opposition," Suchat said.

He and about 20 other Thoe Thai members met for lunch at the Siam City Hotel yesterday. At the joint press conference, they reaffirmed their loyalty to Banhan. But Phairot, who attended the meeting briefly and left early, told reporters before getting into his car, "You must not miss the censure day." Thaksin strongly dismissed Suchat's allegations yesterday. "I have never deposited at nor borrowed from the BBC. Our boxer has won an Olympic gold medal but politicians hit below the belt," he said. New Aspiration leader Chawalit Yongchaiyut, who according to media speculation may abandon Banhan at the end of the censure debate, declined to comment on the possibility of Newin returning to the Cabinet. "Nobody knows anything for sure. So don't go talking too loud now," he said.

At Parliament in the afternoon, Newin joined a group of six Chat Thai MPs to eat with Banhan. The Thoe Thai man was seen frequently whispering to the prime minister.

Chat Thai sources noted that Newin, who did not join the Thoe Thai meeting at the Siam City Hotel, might be trying to distance himself from Suchat, who emerged badly bruised from the last censure debate.

A source close to Newin, one of the few politicians who is considered to have good intelligence-gathering sources, also quoted him as voicing concern that Banhan will be in "big trouble" during the censure debate because the opposition will unleash an "avalanche of credible charges" against the prime minister.

Thailand: Banhan Warned About Reappointing Controversial Figures

BK1708094996 Bangkok THE NATION in English
17 Aug 96 p A4

[Unattributed Report]

[FBIS Transcribed Text] As leader of the biggest political party and head of government, Prime Minister Banhan Sinlapa-acha has the right to make certain decisions particularly if he wants to reconsolidate his position in times of crisis.

But he must also know when it is time to stop, let go, or give up when it becomes clear that pushing any further will only put other things at risk besides his own future.

It is appalling to know that Banhan has extended an olive branch to the notorious Thoe Thai faction. Newspapers yesterday reported that Newin Chitchop, one of the most disliked politicians in several opinion polls, may make his way back to the Cabinet because the premier is desperate for the faction's support.

What an ugly paradox! Controversial support from Thoe Thai propelled Banhan to the premiership. But his association with the group soon ruined the prime minister's integrity. Now, to stay politically alive, he needs the support of the same group that has been blamed for his government's image problem and instability.

Bringing back the infamous members of Thoe Thai to the Cabinet is a gamble that reflects some of Banhan's biggest shortcomings — his vulnerability to political blackmail and his tendency to buy time and do whatever is necessary if only to ensure his survival.

Deputy Interior Minister and Thoe Thai member Anuson Wongwan said the faction has already submitted to Banhan the names of three people who should be included in the new Cabinet. Sources said the list includes Newin, who wants to be deputy interior minister, and former deputy interior minister Suchat Tancharoen, who aspires to become industry minister despite the fact that his reputation has been tarnished by scandals.

Suchat resigned as deputy interior minister following the censure debate in May. Banhan then removed Newin and Phairot Suwannachawi, former deputy commerce minister, from his Cabinet after the censure debate mainly due to pressure from the Phalang Tham Party (PDP). But as this government has demonstrated, the public's feeling is hardly a factor when it comes to making decisions.

Now that the PDP is out of the picture, Banhan might be getting a little desperate and will probably do anything just to survive. To Thoe Thai, a thorn in its side has been removed. In an unexpected turn of events, the PDP, which pulled out of the coalition this week, has been branded a liability and Thoe Thai a "saviour".

And, as Banhan may be wishing, everything-might go back to square one, where everybody was happy with its share of power and interests, giving him considerable breathing space. He would then disregard the bashing from the media, stressing they do not represent the voice of the whole country.

After the bank fiasco, it is hard to imagine how the government's image can plunge any further. But it definitely will if Newin and Suchat are brought back.

Banhan is again being blackmailed politically, as he has always been from the start. In demanding positions for key faction members, Thoet Thai on Thursday warned the prime minister that if just 11 MPs decide not to support him any further, his government will be over.

Banhan's TV message to the people on Thursday night had an optimistic, albeit defiant, tone. The prime minister expressed confidence that his coalition's majority in the House would stay and ensure stability. He also urged the public and the media to support his administration.

But if he is really planning to bring Newin and Suchat back, then it's safe to assume that Banhan is losing touch with reality in this last-ditch struggle to keep his grip on power. The consequences could be detrimental to the country's political future, the economy and to the prime minister himself.

Thailand: Banhan's Activities Risk Causing Major Mass Rally

*BK1808102896 Bangkok BANGKOK POST
in English 18 Aug 96 p 1*

["Coalition crisis" report by Sirikun Bunnak]

[FBIS Transcribed Text] The prime minister's bid to prolong the life of his administration by bringing back unpopular members of the Thoet Thai faction ran into opposition from the Confederation for Democracy [CFD] yesterday.

The CFD threatened a major rally on Ratchadamnoen Avenue if Banhan Sinlapa-acha reappointed the so-called yee politicians to his Cabinet. (Yee is similar to the expression "yuck!")

At a press conference after its annual general meeting, the pro-democracy organisation demanded that Mr. Banhan resign after Parliament completes deliberations on the Budget Bill and the constitution amendment proposal.

The CFD's stance is expected to complicate Mr. Banhan's attempt to cling to power in the wake of Phalang Tham's [PTP] withdrawal from his coalition last week and the expected censure bid against him by the Opposition.

Mr. Banhan's support within his own Chat Thai Party has been sagging because of internal bickering over cabinet posts.

Group 16 members in the Thoet Thai faction have lost three cabinet seats in the last cabinet reshuffle after the group voluntarily resigned en masse after the PTP abstained from voting for its core member Suchat Tancharoen, then deputy interior minister.

Instead of reappointing Mr. Suchat to the Cabinet in a subsequent reshuffle, Mr. Banhan only appointed Bunchu Trithong and Anuson Wongwan. Mr. Suchat, former Deputy Finance Minister Newin Chitchop and ex-Deputy Commerce Minister Phairot Suwanchawi were not reappointed.

Mr. Banhan's continued hold on the interior portfolio has also upset the Wang Nam Yen faction, which has been pressing its leader Sano Thianthong to assume the post.

With the censure motion waiting for him next week, Mr. Banhan now needs all the support he has in the party to weather the Opposition's ouster move.

Thoet Thai commands 18 seats in Chat Thai and Mr. Banhan's support could fall short of the required one half of the total House seats if the dissidents refuse to vote for him.

In an attempt to patch up differences to bring the dissident factions back to the fold, Mr. Banhan has reportedly offered to give cabinet seats back to Mr. Suchat, Mr. Newin and Mr. Phairot. He also reportedly offered to hand the interior portfolio to Mr. Sano, currently the public health minister.

But core CFD members said yesterday Mr. Banhan risked a major demonstration on Ratchadamnoen Avenue if he tried to bring back certain members of Group 16 "whom the people detest".

"The CFD will organise a major rally on Ratchadamnoen Avenue, as such a move by Mr. Banhan will go against public feeling," said Suwat Tangtrakun, a CFD representative for the south.

The meeting concluded that the Banhan administration had failed in administering the country, and the prime minister and his entire Cabinet should resign to take responsibility.

Thailand: Phalang Thai Leader Thaksin Warns Banhan Government

*BK1808110796 Bangkok BANGKOK POST
in English 18 Aug 96 p 1*

[Report by Mongkhon Bangprapha]

[FBIS Transcribed Text] Public faith in the government could shrink even further if certain Thoet Thai faction

members are put back in the Cabinet, the Phalang Tham leader said yesterday.

Thaksin Chinnawat said Prime Minister Banhan Sinlapa-acha had the right to choose between public trust and "hands that would support him in Parliament."

He warned, however, that without faith and trust, nothing could last.

Mr. Banhan, left with 209 MPs from six coalition partners after Phalang Tham's withdrawal last week, was wooing former Deputy Finance Minister Newin Chitchop and former Deputy Commerce Minister Phairot Suwanchawi back to the government to strengthen his own stability in the forthcoming censure debate.

Mr. Newin, Mr. Phairot and former Deputy Interior Minister Suchat Tancharoen are three key figures of the dissident Thoet Thai faction within Mr. Banhan's Chat Thai Party.

The trio resigned out of dissatisfaction that Mr. Banhan did not drop Phalang Tham in a cabinet reshuffle after the May censure debate.

Thoet Thai members were angry at Phalang Tham's refusal to vote in support of Mr. Suchat who was censured for alleged involvement in the Bangkok Bank of Commerce (BBC) loan scam and unscrupulous land deals in Chumphon and Nong Khai.

Phalang Tham abstained on the grounds that Mr. Suchat could not clear up all allegations.

While being part of the coalition, Phalang Tham often repeated its calls for Mr. Banhan to remove certain ministers who were not accepted by the public to improve the government's image and win back public faith.

Mr. Newin, who was linked to alleged vote-buying in Buri Ram in the July 2 general election and also the BBC scandal, reportedly accepted Mr. Banhan's offer of a cabinet post.

Talks were going on with Mr. Phairot. Mr. Suchat, however, turned down the invitation, saying he did not want to be a target of attacks once again.

The return of the key Thoet Thai figures could assure Mr. Banhan the faction would not rebel against him at the censure debate, where he would be the sple target.

Mr. Thaksin, however, said that if he was the one to make the choice, he would go for public faith.

"The one who wants to stay long may end up having a short life. If we are not afraid our lives may be short, we may be able to live longer," he said.

Mr. Banhan earlier claimed that only Bangkok people lacked faith in the government, while support from more than 60 provinces remained strong.

Thailand: Chat Phatthana Leader To Steer Clear of Coalition

BK1808111596 Bangkok BANGKOK POST
in English 15 Aug 96 p 3

[Report by Surasak Thamcharoen]

[FBIS Transcribed Text] Former prime minister Chatchai Chunhawan said yesterday he would rather not join the Banhan administration, even if the prime minister resigned first and opened the way for his Chat Phatthana Party.

Gen. Chatchai told reporters the current government was too "rotten and disrupted" for his 54-MP party to join, even if Banhan Sinlapa-acha decided to clear the decks.

Asked if he would accept the premiership with Mr. Banhan's Chat Thai Party remaining in a new coalition, the Chat Phatthana leader laughed and said: "I didn't know what to say, so I just laughed."

Chat Phatthana Secretary-General Suwat Liptaphanlop and other Chat Phatthana members earlier announced that their party would never join the Cabinet unless Gen. Chatchai was appointed prime minister.

But Gen. Chatchai explained yesterday that the Banhan administration was plagued with too many difficulties. He could not cure them. He preferred to go forward with a fresh mission rather than look back and waste time fixing problems left unresolved by the current government.

Opposition members have repeatedly blamed the Banhan government for economic downfalls which for the most part stem from its partisan and personal profiteering conduct and lack of credibility in the eyes of businessmen, domestic as well as foreign.

The joint Opposition had finally resolved to lodge a no-confidence motion solely against Mr. Banhan immediately after the 1997 Budget Bill passes its final reading tomorrow, because it was time the head of government was changed for the good of the country.

The leaders of the Democrat Party, Chuan Likphai, the Chat Phatthana Party, Gen. Chatchai, the Seritham Party, Athit Urairat, and the Solidarity Party, Chaiyot Sasomsap, and several other top opposition figures agreed to grill Mr. Banhan alone as head of government for a number of failures and corruption he is allegedly responsible for since he began running the country just over a year ago.

The motion will be lodged with House Speaker Bun-
eua Prasertsuwan the day the 984-billion-baht Budget
Bill sails through Parliament, according to the Chat
Phatthana secretary-general.

The bill is expected to be finished with its second and
third or final readings late tomorrow night.

Gen. Chatchai explained that it was too late for the
government to make any more cabinet reshuffles since it
was the head of government that needed to be changed.

That was the primary rationale for the Opposition's
decision to take just the prime minister to task.

"The situation has gone way too far to make any further
reshuffle of the Cabinet, and it's time to change the head
of government. It's too late to make any more changes
in the Cabinet; that has already been done four times
for nothing," he said.

Democrat Deputy Secretary-General Suthep Thuak-
suban said the Opposition would need about 30 of its
MPs to censure the prime minister with regard to more
than 10 issues in a matter of "three days and three
nights."

Thailand: Thoe Thai Faction Urges Banhan's Resignation

BK1908033496 Bangkok THAILAND TIMES
in English 19 Aug 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok: Prime Minister Ban-
han Sinlapa-acha yesterday faced another potentially
explosive situation when members of the powerful
Thoe Thai faction in the rolling Chat Thai Party [CTP]
demanded that he resign as head of state.

"For the benefit of the country and the people, Banhan
must resign," said Chat Thai MP Phairot, the former
deputy commerce minister, who also strongly criticized
Banhan.

The time the public gave Banhan to administer the
country is over, said Phairot, adding Banhan should take
pity on 60 million Thais and the country for getting
poorer, while Banhan himself got richer.

"The public and businessmen no longer have confidence
in Banhan. A crisis in public faith has already been
reached. Other crisis can be salvaged, but the public
crisis is absolutely impossible," said Phairot.

The best way for Banhan to restore public confidence
is to resign from the position of prime minister and to
have a new government, said Phairot.

"As long as Banhan is still in office, I will definitely not
return to a Cabinet post. And I strongly believed Suchat

will not come back either," said Phairot, referring to
news reports that key Thoe Thai members, Suchat and
Newin, will come back again to their Cabinet posts.
Phairot said it was just a rumor.

Phairot, former deputy interior minister Suchat Tan-
charoen and former deputy commerce [as published]
[finance] minister Newin Chitchop resigned from their
posts following the May no-confidence debate.

He said the government will fail to improve itself unless
Banhan resigns.

Phairot said the CTP has several people, such as party
advisor Praman Adireksan, who are suitable for the
position of prime minister.

If there is no one eligible for this post, then New Aspira-
tion leader and Defense Minister Chawalit Yongchaiyut,
or opposition Chat Phatthana leader Chatchai Chun-
hawan were other possible choices, said Phairot.

With regard to the upcoming no-confidence debate,
Phairot said Banhan would face the last chapter in front
of Parliament, as in the final chapter of the the movie
Julius Caesar, in which people saw how he died.

The opposition has decided to submit a no-confidence
motion to Parliament president Bun-ua Prasertsuwan,
solely targeting Banhan, once the deliberations of the
1997 budget bill are completed. Banhan will be grilled
by at least 30 opposition MPs, mostly the four party
leaders.

Asked to comment if it was possible for Banhan to
dissolve the House, Phairot said Banhan has the right to
do so according to our democratic system, if he wants.

Phairote also urged Banhan to sound out opinions from
people across the country to see if they still want him
to stay in office.

Banhan recently told reporters that Bangkokians are not
the majority of voters and the people in the provinces
still favor his government

Phairot said several faction members now have common
ideas that Banhan should resign from the post, adding
he does not know if all members of the Thoe Thai
faction would raise their hand to support Banhan in the
upcoming censure debate.

Chat Thai MP Sarit Ung-aphinan said it will be hard
for Banhan to get full support from coalition MPs if he
fails to clear allegations made by the opposition in the
censure debate.

Sarit said Banhan is facing a movement to topple his
government. "It is considered destructive politics by
those who are rivals and hate Banhan."

Sarit also defended Banhan, saying Banhan has accomplished several achievements in his one-year administration.

Thailand: Premier Urged To Resign To Save Country 'Some Grace'

*BK1908042896 Bangkok BANGKOK POST
in English 19 Aug 96 p 10*

[Editorial: "Resignation Offers the Best Solution"]

[FBIS Transcribed Text] Prime Minister Banhan has reached the stage where he is required to make what could be his most important decision for his political survival — to reaccept the Thoet Thai faction back into government and thus ensure its support in the coming censure debate or to listen to the voice of the people.

Prime Minister Banhan Sinlapa-acha appears to have staked his political survival at the mercy of the Thoet Thai faction in his Chat Thai Party. In exchange for its members' votes, which he badly needs in light of the Opposition's censure motion next month and with the support of his coalition partners in doubt, Mr. Banhan will have to juggle seats in the Cabinet to make room for a few leading members of the faction, among them former deputy finance minister Newin Chitchop.?

This time, however, the Prime Minister might not have much choice and could find it difficult resisting pressure from the Thoet Thai faction. But as head of the government with the legitimate right to accept or deny any nominees for cabinet posts, Mr. Banhan should — if he still has any self respect and political decency left in him — put national interest before that of his own. That means he should reject the reinstatement of Newin or any other Thoet Thai member whose credibility is equally in question.

With about 30 MPs under its control, the Thoet Thai faction represents a powerful force in the Chat Thai Party. But, alas, what this faction is most concerned with is its own vested interests and its share of the cake. Quite often, the faction is engaged in haggling or bickering among its own members, if not with its rivals, for political spoils, using its collective strength as a bargain chip. Barely anything has been heard or seen of the faction's constructive initiatives. It is a pity that several bright young politicians who belong to the faction, and who could have a bright political future, have been wasted.

Should the faction take a good look at itself in the mirror, it would see how ugly it has become. His loyal constituents in Buri Ram apart, Mr. Newin's public image, especially in business and banking circles, should serve as notice to the faction that it needs to

change its mind about returning this man to such an important post as the Finance Ministry.

If the faction has any self respect Prime Minister — if not any political conscience — it should not venture to do anything that could defy public sentiment. Unless, of course, Mr. Newin can clear himself of all allegations first, particularly that concerning the takeover of companies listed on the stock market with funding from the Bangkok Bank of Commerce.

Prime Minister Banhan has only himself to blame for the political predicament facing his administration. Yet, he does not seem to realise his mistakes and, worse, his own credibility problem. Instead, he blames the press for distorting facts, for exaggerating the problems facing his government and for tarnishing his image.

The Prime Minister appears desperate, like a cornered dog that will put up a fierce fight for its survival and could do the unthinkable. He might even dig his own grave. Should this be the case, few will mourn his political demise. Unless, of course, he brings down the country's political future and the economy with him.

He can bury his face in the sand like an ostrich and make the same mistake he did before by rolling out the red carpet for Mr. Newin. In return, he can expect the support of the Thoet Thai faction that will flow in his favour and could save him the shame of losing in the censure debate and give him more breathing space. By that time, however, public tolerance could already be exhausted.

The situation, although gloomy, is not yet completely hopeless for Mr. Banhan. There remains an exit that will spare him the embarrassment of the censure debate and, above all, save the country some grace and dignity — that is, not change the Cabinet but resign now.

Thailand: Politicians Comment on Current Political Situation

*BK1908042396 Bangkok Radio Thailand Network
in Thai 0000 GMT 19 Aug 96*

[FBIS Translated Text] Regarding the current political situation, although several sides have called for prime minister to dissolve parliament or resign from the prime ministerial post to resolve various existing problems, key members of the coalition parties in the government have confirmed that all the six coalition parties are still united to work for the country and the situation at present is not so serious that the prime minister must dissolve the parliament or resign from the post.

General Chawalit Yongchaiyut, deputy prime minister and leader of the New Aspiration Party, said that various

conflicts have almost disappeared because everyone wants to create public confidence. Besides, Chawalit also called on all sides to criticizing the government for the sake of the country. Regarding members of parliament of Group 16, a faction in the Chat Thai Party, seeking to return to cabinet ministerial posts, it is up to the prime minister to consider, Chawalit said.

Regarding the opposition's move to submit a no-confidence debate against the prime minister, Sano Thianthong, public health minister and secretary general of the Chat Thai Party, said he believed the prime minister would be able to answer the opposition's questions, and all the coalition parties would certainly support the prime minister.

However, Bunchu Trithong, minister of the State University Bureau and a key member of the Thoet Thai faction in the Chat Thai Party, said that the prime minister should give clear explanations to all the questions raised by the opposition. He said that at present it is not suitable for anyone to demand a ministerial post but they should try to regain public faith.

At the same time, Sudarat Keyuraphan, secretary general of the Phalang Tham Party, talked about the opposition's censure debate that the Phalang Tham Party is willing to take responsibility for what the party worked on with the government in the past year. On the question whether the party will support the government, the party will have to hear the information presented by the opposition and the explanations by the government first, she said.

Thailand: Banhan Government Shaken 'to the Core'

*BK1808124496 Bangkok BANGKOK POST in English
18 Aug 96 p 3 (PERSPECTIVE Supplement)*

[Report by Somchai Misan]

[FBIS Transcribed Text] The sudden pullout of Phalang Tham from the coalition last Tuesday after 13 months has shaken Banhan Sinlapa-acha's government to the core and will trigger change sooner than expected after a censure debate in September.

Phalang Tham Secretary-General Sudarat Keyuraphan, who caught Mr. Banhan off-guard by telling him the party was quitting, had earlier called on him to resign and shake up the cabinet, but Mr. Banhan could not afford to do so under present circumstances.

He feared some of the remaining six coalition partners, particularly the 57-strong New Aspiration Party of Chawalit Yongchaiyut, could go against him and not support his return to the premiership.

On the surface, Phalang Tham's fait accompli was surprising. After all, it had already quit after the May censure motion only to join again. But looking deeper, its leader Thaksin Chinnawat bases decisions on opinion polls he has commissioned Mr. Niyom Purakham to carry out. The decision which has surprised people was also the result of one such poll.

Party sources said the latest poll showed Phalang Tham's popularity had plunged after a year in the government, and the party was far behind the Democrats in Bangkok. Poll support for Phalang Tham and Prachakon Thai combined lags behind the Democrats.

The main factor in Phalang Tham's popularity plunge in the capital is that Bangkokians disapprove of Mr. Banhan's administration, including coalition partners. At the same time, the Democrats, as the core opposition party, won favour by attacking an unpopular government.

The poll and a widespread view that Mr. Banhan's government will not survive allegations of corruption and the prospect of a political reform drive coming to a halt, were also factors in Phalang Tham's withdrawal. With its popularity at its lowest ebb, Phalang Tham felt it was time to change.

Phalang Tham has played a major role in pushing projects with Mr. Banhan, including the 60-billion-baht elevated train project, the 20-billion-baht Bangpun-Bangsai-Chaeng Watthana and 20-billion-baht Dao Khanong-Bang Khun Thian-Samut Sakhon expressways, the 23-billion-baht Khlong Prapa road link and the Mass Rapid Transit Authority project.

But its withdrawal was seen by other coalition partners, including Deputy Prime Minister Montri Phongphanit and Justice Minister Chaloeam Yubamrung, as an expression of bitterness over the cabinet's refusal to approve the bank licences. One group vying for licences was Ratchasima Bank, in which Banphot Damaphong, Mr. Thaksin's brother-in-law, has a five-percent share.

They said the party was also disappointed after its proposal to increase the registered capital of Thai Oil Plc was vetoed by Cabinet on August 13. Chaiwat Sinsuwong, Phalang Tham's former industry minister, had tried to push it through at least three times.

Whatever the reason behind Phalang Tham's decision, its actions have rocked the government, cutting its majority from 232 to 209 and forcing Mr. Banhan to make changes sooner rather than later.

Mr. Banhan has three options: reshuffle the Cabinet, resign, or dissolve Parliament. He is likely to go for the first option by calling in an opposition party. But in the current political atmosphere, particularly the crisis

of confidence in the government, opposition parties are having second thoughts about joining a sinking ship. So far, the Democrats, Chat Phatthana, Seritham and Solidarity have made clear they will not join a government under Mr. Banhan.

It seems Mr. Banhan has reached a dead-end. The coalition Chat Thai, New Aspiration, Social Action, Prachakon Thai, Nam Thai and Muan Chon parties must be united before the censure debate. Mr. Banhan has taken the first step by appointing Gen. Chawalit to choose other parties to join and reshape the cabinet. The decision was taken in a meeting on August 14, after Phalang Tham's withdrawal, in the hope of keeping Gen. Chawalit and his 57 MPs on the coalition's side.

It has been Gen. Chawalit's ambition to become prime minister since he resigned as army commander-in-chief seven years ago and he now has a chance to ditch Mr. Banhan and make his dream come true. His strategy is probably to block opposition parties from entering the coalition. He met Democrat Party secretary-general Sanan Khachonprasat for a secret talk on August 13.

A source said Gen. Chawalit will not make his move until after the annual military reshuffle. This year's reshuffle is very important because the supreme commander, the defence permanent secretary and commanders-in-chief of the Army, Navy and Air Force will retire at the end of September. He said Gen. Chawalit wanted to make sure everything was in his favour before taking a stab at the leadership.

Mr. Banhan's attempts to reassure the people he would not dissolve Parliament to avoid the censure debate seem little more than a bid to console himself and his party members. Some coalition members and the Opposition have the same objective — to crush Mr. Banhan. The 18-MP Thoet Thai faction in the Chat Thai Party has a score to settle with Mr. Banhan after one of its prominent members, former Deputy Interior Minister Suchat Tanchanoen, was severely grilled in the last censure debate.

Other parties most likely to go against Mr. Banhan in the censure motion are New Aspiration and Nam Thai. If Mr. Banhan loses, he will no longer be in a position to dissolve Parliament and the choice of leader could easily be given to Gen. Chawalit.

With such gloomy prospects, Mr. Banhan realises he could be walking into an ambush. Under the Constitution, Cabinet members who lose a censure debate automatically lose their ministerial status and have no right to dissolve Parliament.

The censure motion focuses on a series of allegations against Mr. Banhan: Alleged plagiarism of his master's

degree thesis; alleged falsification of official documents concerning his and his father's personal data; dodging the May censure motion; the Kockums bribery scandal; campaign contributions from fugitive banker Rakesh Saxena; alleged kickbacks in the bank licence issue, and alleged irregularities in the sale of land by his MP daughter Kanchana to the Bank of Thailand.

It seems the government's days are numbered, and it is at this time actions of Cabinet members will be worth watching as they may grab what they can to buy support for the next general election.

More interesting is public reaction to the Banhan administration's 13 months in office. People now come out to support parties which withdraw from an unpopular coalition or try to bring it down.

Phalang Tham was feted when it withdrew last May but was cursed as soon as it went back. The same befell Prachakon Thai when it quit in June only to return. When Chaloe M Yubamrung attacked the government, he won support from the public. But when he reached a compromise with Mr. Banhan on the bank licence issue, he too was cursed.

It is not surprising that Phalang Tham received a positive response from the people this time. But Mr. Banhan remained confident in an interview with the press shortly after the Phalang Tham pullout. People, he insisted, still have faith in him.

Thailand: CFD: Government Ouster Likely Unless Reforms Implemented

*BK1908065396 Bangkok BANGKOK POST
in English 19 Aug 96 p 3*

[Report by Wut Nontharit]

[FBIS Transcribed Text] A Confederation for Democracy (CFD) executive yesterday predicted that unless the Government makes a sincere effort to implement political reform, public dissatisfaction with it would reach the point where the people would demonstrate for its ouster.

CFD deputy chairman Somsak Kosaisuk made the prediction while explaining why the CFD is calling for Prime Minister Banhan Sinlapa-acha to resign if the bill to amend Article 211 of the Constitution is not endorsed by Parliament in the second and third readings, or if the version passed contains wholesale changes from the original draft.

He said the CFD and affiliated organisations nationwide would continue to educate the public on the necessity of political reform and remind them that politicians had

promised to realise it while campaigning for the last general election.

Mr. Somsak accused the Government of being insincere in its efforts to bring about political reform from the start. "Mr. Banhan has totally failed to handle the country's administration and we have to solve the problem at the root cause. We need political reform to change the electoral system to place administrative power in the hands of better people."

He said the Government would be sure to shorten its own life if it reappoints unpopular members of the Chat Thai Party's Thoe Thai faction to the Cabinet.

Dissatisfaction with the Government has risen nationwide, according to Mr. Somsak.

In the Northeast, the problems of members of the Forum of the Poor and the Assembly of Small-scale Farmers have not been solved.

In the South, rubber planters are suffering from low rubber prices.

In the North, environmentalists and students are up against the Government over its poor handling of environmental problems.

In the Central Region including Bangkok, businessmen, academics and the press are closely watching what the Government does regarding political reform.

Vietnam

SRV: Army Paper Criticizes U.S. 'D'Amato Bill'

*BK1608144396 Hanoi QUAN DOI NHAN DAN
in Vietnamese 8 Aug 96 p 4*

[Article by Manh Hung: "Counter Terrorism or Create the Threat of Terrorism?"]

[FBIS Translated Text] The signing into law of the D'Amato Bill (named after Republican Senator Alfonse D'Amato) by U.S. President Bill Clinton imposing sanctions against foreign individuals or companies that invest \$40 million or more a year in gas or oil projects in Libya or Iran is shaking world public opinion. Under this law, the U.S. President may impose two of the following sanctions against violators: banning goods exports to the United States, denying Export-Export Bank loans, denying licenses to buy U.S. goods and services, barring U.S. financial institutions from making credit loans of more than \$10 million to such entities, and denying participation in U.S. Government contracts. According to RFI on 6 August, President Clinton promulgated this law in a bid to ease the American people's disappointment with Washington's failure to cope with rising terrorism, and Mr Clinton

announced that the law would take effect at the presidential election in November.

President Bill Clinton said the same law applied to Libya and Iran for sponsoring terrorism, however, could not convince people sympathize with the United States over losses incurred by terrorist attacks. The bombing of a U.S. airbase in Saudi Arabia on 26 February, the crash of an aircraft carrier in July that claimed the lives of 229 U.S. airmen, the Atlanta Olympic Park bombing. The United States sympathize with the unilateral and sanctions imposed by the United States on the presumption of evidence of the statements like that of U.S. Defense Secretary Perry that "Iran may be behind the bombing of the Arabian" causes people to be skeptical. Could it be that the United States use this text to pressure Iran, Libya, and others who do not like because they dare to "defy" the United States? A comparison between this law and the D'Amato Bill passed by the United States in 1986 imposing economic sanctions against Cuba is simply because of Cuba's refusal to change "molded after U.S. views" logic and objectives leading to the same, that is, the use of force to affirm an independent and sovereign country.

It is also worth noting that the D'Amato Bill apply not only to Iran and Libya but to other foreign trade partners with the United States. Contrary to the current trend of international globalization and the objectives of the World Trade Organization (WTO) to remove trade barriers, the D'Amato Bill erects new walls among the world nations. This move runs counter to the common principle of international law and intervenes in the internal affairs of other countries. It is for this very reason that immediately after the law was announced, this law met with the opposition of all nations, including countries that are not members of the United States in a special meeting this year to discuss antiterrorism measures.

EU countries think that this bill runs counter to their trade policy and serves as a challenge to U.S. external relation policy on other countries. The Foreign Ministry announced: "It is clear that this bill has become effective. It runs counter to the principles of the WTO (World Trade Organization) and the government of the Russian Federation criticized the action of the U.S.. The U.S. is charged: 'This bill shows that the le

U.S. is moving more and more in an objectionable direction." By enforcing the D'Amato bill, the U.S. reaps no benefit but creates the risk of a trade war against its own strategic trading partners such as the EU and Japan.

To date no countries have ever acknowledged the D'Amato bill as appropriate, because of its vague objectives and extreme measures. At the same time, the bill is pouring more oil onto the "fire" of the already-strained relations between the U.S. and Iran and Libya, which can quickly turn to conflict at any moment. Peoples around the world have not forgotten the attack of the U.S. Air Force on Libya's capital city of Tripoli and Benghazi in April 1986 after the U.S. accused Libya of involvement in various bomb explosions. A question is raised: by using threats and punishment as measures to fight terrorism, are the Americans creating a new form of terrorism, the terrorism of a country against another, not only against a government but a whole nation?

Terrorism is a tragedy that is causing concern to the world community, and resolute measures should be used to prevent it. All organizations and individuals involved in terrorism must be punished by law. It is improper, however, to use the motive of fighting terrorism to cause pressure or to interfere in the internal affairs of an independent and sovereign country. By enforcing the bill, the U.S. is violating the common principles of international law and convention.

SRV: Party General Secretary Receives Australian Deputy PM

BK1708125996 Hanoi VNA in English
1701 GMT 16 Aug 96

[FBIS Transcribed Text] Hanoi VNA Aug.16- Australia should further strengthen its investment in and cooperation with Vietnam for its implementation of national industrialization and modernization, says Party General Secretary Do Muoi at his reception here this afternoon of Australian Deputy Prime Minister (PM), Tim Fisher.

Welcoming the current Vietnam visit by Mr. Tim Fisher and his entourage, Mr. Do Muoi expressed his pleasure at the fine development of the friendly and cooperative ties between the two countries.

He expressed his sincere gratitude to the Australian Government and people for having assisted and created favorable conditions for more than 800 Vietnamese officials and students to study in Australia. Vietnam welcomed the Australian Government's decision to help it build the My Thuan bridge and considered it as a vivid manifestation of the friendship and cooperation between the countries, he said.

Deputy Prime Minister Tim Fisher informed his host of his working results with Deputy Prime Minister Phan Van Khai, Trade Minister Le Van Triet, and Minister of Planning and Investment Do Quoc Sam, saying he was pleased at the fine development of the friendly and cooperative ties between Australia and Vietnam. He affirmed the desire of the Australian Government as well as businesspeople to strengthen the time-honored cooperation with Vietnam.

He also spoke highly of the successes of the Eighth National Congress of the Communist Party of Vietnam as well as achievements recorded by the Vietnamese people in the current renovation process. The fine friendship and cooperation between the two countries would be unceasingly consolidated and developed, he stressed.

SRV: Deputy Prime Minister Receives Australian Deputy PM

BK1708130296 Hanoi VNA in English
1636 GMT 16 Aug 96

[FBIS Transcribed Text] Hanoi VNA Aug.16- Deputy Prime Minister Phan Van Khai received here today Deputy Prime Minister (PM) Tim Fischer who is leading an economic and trade delegation of Australia now on a working visit to Vietnam.

Australian Ambassador to Vietnam Ms Susan Boyd and Deputy Minister of Trade Le Van Triet were also present at the reception.

Deputy Prime Minister Tim Fischer affirmed the long-term targets of Australian companies and groups to invest in Vietnam. He spoke of the Australian government's policies to further strengthen the friendly and cooperative relations with Vietnam, including fund for the construction of an orphanage in Long Dat in the southern province of Ba Ria-Vung Tau and continued financial assistance to build the Bac My Thuan bridge as well as ODA [overseas development aid] aid under the form of the preferential credit fund. He reiterated Australian government's commitment to settle together with Vietnam difficulties in bilateral cooperation and to further promote the multi-faceted relations between his country with Vietnam and other countries in the region.

Deputy Prime Minister Khai affirmed Vietnam's determination to settle difficulties and remove obstacles to strength the bilateral cooperation and friendship for the interests of both countries.

SRV: Visiting Australian Trade Minister Holds News Conference*BK1708081896 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 16 Aug 96*

[FBIS Translated Text] In Hanoi this morning, the Honorable Tim Fischer, Australian deputy prime minister and trade minister, held an international news conference on his Vietnam working visit, which started on 15 August. Speaking to a large number of reporters at the news conference, Deputy Prime Minister Fischer said:

[Begin Fischer recording, in English fading into Vietnamese translation] It is a delight to visit Vietnam as deputy prime minister of new Australian Government. I would like to take this opportunity to reaffirm that our priorities are developing diplomatic and trading policies to the Asian region and building good relations with Asia, especially trade and tourism relations. My visit follows the Vietnam visit by Foreign Minister Alexander Downer, where we discussed a variety of issues, particularly the confirmation of Australian Government in continuing its support for the construction of the My Thuan Bridge, one of Australia's biggest foreign aid projects of the next several years. This is a pledge of our government to continue the fine relations with Vietnam and to have full relations with ASEAN countries, to which our new government pays a lot of attention. The new Australian Government has a plan to visit all ASEAN countries including Brunei in the first six months of this year; this is being carried out by the Honorable Alexander Downer and myself.

This is my first official visit to Vietnam, even though I had actually visited several times before. During the visit, I had successful and constructive meetings yesterday evening and this morning with His Excellency Le Van Triet, trade minister, to discuss a number of concrete issues related to bilateral, regional, and multi-lateral relations. We also discussed a number of issues of concern for Australian Government and concretized detail of the meeting between the two sides in Australia in the first half of 1997 to further develop closer co-operative ties between Vietnam and Australia. We also talked about Australia's support for Vietnam's wish to become a member of the World Trade Organization, about the ASEAN Free Trade Area, and about the meeting between ASEAN countries and Australia and New Zealand that is to be held in mid-September. I can say that the main purpose of my visit is to further boost trading and business relations and to expand the opportunity for the development of trade and tourism relations between Australia and Vietnam [end recording].

The Honorable Tim Fischer answered many questions raised by foreign correspondents having to do with

relations between Australia and Vietnam as well as with other countries in the region, particularly about the activity of a number of major Australian companies and firms in Vietnam. In answer to a foreign correspondent's question about future cooperation between the two countries in the field of gold exploration in Vietnam, Deputy Prime Minister Fischer said:

[Begin Fischer recording, in English fading into Vietnamese translation] Australian gold exploitation companies have the capability to participate, and wish to participate, in the processes of gold exploration and exploitation in Vietnam. The industry's prospects are great because the Vietnam's gold resources are rich. I believe Vietnam will have a policy to support the industry. This morning, when I had breakfast with some Australian businessmen and company executives, I learned that they are waiting and paying a lot of attention to gold exploration and exploitation in Vietnam [end recording].

Speaking of his impressions of the visit, Deputy Prime Minister Fischer said:

[Begin Fischer recording, in English fading into Vietnamese translation] I had an early morning walk today at Hoan Kiem Lake, a very beautiful part of Hanoi. I crossed a red bridge leading to an islet in the lake, and I felt the dynamic atmosphere of a fine morning in Vietnam. I can say that the Vietnamese people, as well as the Australian people, all wish to participate in that dynamic atmosphere, to build a bright future for trade and tourism relations between Australia and Vietnam [end recording].

SRV: Industrial Complex Projects Proposed by Japan's Sumitomo*BK1708111596 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Aug 96*

[FBIS Translated Text] A feasibility project for the construction of a 325-hectare industrial complex capitalized at some \$100 million has recently been presented to the Ministry of Planning and Investment by the Sumitomo Company.

The industrial complex will be built in the Bac Thang Long area in Hanoi. This is a joint venture between the Sumitomo company and the Dong Anh machinery plant under the Ministry of Construction. The Vietnamese side will contribute 40 percent of the authorized capital and Sumitomo 60 percent.

The industrial complex will give priority to making investment in high-tech and clean industries such as electronics, precision machinery, machine manufacturing, etc.

**SRV: Cambodian Prime Ministers Receive SRV
Assembly Delegation**

*BK1708124796 Hanoi VNA in English
1618 GMT 16 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 16- First Prime Minister of Cambodia Norodom Ranariddh received in Phnom Penh this morning a delegation of the Vietnamese National Assembly. The delegation, led by head of its office, Vu Mao, who is also president of the Vietnam- Cambodia friendship association, is currently on a visit to Cambodia since August 12.

The Cambodia prime minister welcomed the visit by his guests, as it not only strengthened the friendship between the two nations but also promoted the cooperation of the two national assemblies and friendship organizations.

The Second Prime Minister Hun Sen also gave a cordial reception one day earlier to the Vietnamese delegation in the presence of representatives of FUNCIPPEC (National United Front for Cooperative, Independent, Neutral and Peaceful Cambodia) and BLDP (Democratic Liberal Buddhist Party).

Prime Minister Hun Sen highlighted the time-honored traditional friendship and the great potentials to promote cooperation and mutual assistance for national construction and development in Vietnam and Cambodia. He reiterated that history will not forget the Vietnamese army's help to save Cambodia from genocide, and that nobody can deny the fact that without Vietnam's help, there will not be the present Cambodia.

He also thanked Vietnam for its support for Cambodia's membership in ASEAN.

While in Cambodia, the Vietnamese delegation also met with Cambodia's National Assembly Chairman Chea Sim and Foreign Minister Ung Huot.

It visited the Angkor Wat in Siem Riep province and a number of cultural establishments in Phnom Penh.

The delegation left Cambodia this afternoon.

**SRV Foreign Minister in Talks With Singaporean
Counterpart**

*BK1808082696 Hanoi VNA in English
1643 GMT 16 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 16 — Vietnamese Foreign Minister Nguyen Manh Cam and his visiting Singapore counterpart S. Jayakumar exchanged views on international, regional and bilateral issues of mutual concerns, especially measures aimed at further boosting the existing friendship and multi-

faceted cooperation between the two countries at their talk held here today.

Minister Cam warmly welcomed the Singapore foreign minister's official visit to Vietnam, starting today, as a manifestation of the constant growing of the ties between the two countries.

On his part, Minister Jayakumar expressed his pleasure at his first visit to Vietnam, at the important achievements of the Vietnamese people in their renovation cause and external policy of openness, diversification, multilateralization of international relations, and integration into the regional and international community. He affirmed Singapore's consistent policy of attaching great importance to the development of its cooperative relationship with Vietnam.

The two sides expressed satisfaction at the rapid and fine development of the friendly cooperation between the two countries, especially in trade and investment. Singapore has become Vietnam's second largest trade partner with two-way trade value of more than \$2 billion and with some 120 projects and nearly \$2 billion of capital.

The two sides were pleased to note that their relationship has expanded to many other fields, including party, parliament, justice, youth, sports, mass media, and security and national defense, showing the increasing understanding and trust between the two nations.

Minister Jayakumar affirmed that Singapore will continue supporting and sharing its experiences with Vietnam in the fields of infrastructural construction, finance, banking, education and training, and service.

The two ministers discussed the direction and measures to boost the cooperation between the two countries in the future. They agreed that detailed tasks in each field will be determined at expert level.

Regarding international and regional issues, the two sides highly valued the results of the ASEAN ministerial meeting, the ASEAN regional forum (ARF), and the post-ministerial conference (PMC) in Jakarta and confirmed their willingness to cooperate for contributions to the regional cooperation and to prepare well for the upcoming ASEAN summit in Jakarta in December.

The Singapore minister said that his country is ready to continue its cooperation with Vietnam in the latter's further participation in ASEAN activities, first of all to assist Vietnam in organizing the 6th ASEAN summit in Vietnam in 1998.

The two sides pledged to actively take part in the cooperation between Asia and Europe, and to prepare

well for the ASEAN ministerial meeting to be held in Singapore in February 1997. The Singapore side welcomed Vietnam's wish to join APEC and WTO [World Trade Organization].

The two sides expressed their belief that the fine results of this visit will contribute to the cooperation between the two countries for the interests of the two peoples and for the sake of peace, cooperation and development in Southeast Asia.

SRV: Vo Van Kiet Receives Visiting Singaporean Foreign Minister

*BK1808064196 Hanoi VNA in English
1528 GMT 17 Aug 96*

[FBIS Transcribed Text] Prime Minister Vo Van Kiet told Singapore Foreign Minister S. Jayakumar at a reception here today that Singapore's technology and experience are "very realistic and useful to Vietnam in the current process of industrialization and modernization."

Prime Minister Kiet also said that the relationship between Vietnam and Singapore is not only their bilateral cooperation but also the latter's assistance to the former. "Vietnam will build the Vietnam-Singapore industrial park in Song Be Province as a new model of Vietnam's economic cooperation with foreign countries," Mr. Kiet added.

S. Jayakumar left Hanoi later today, ending a two-day official Vietnam visit to discuss with his Vietnamese counterpart, Mr. Nguyen Manh Cam, ways and means to carry out agreements between the two prime ministers earlier for closer ties of bilateral cooperation and further mutual understanding.

Vo Van Kiet said he believed that after the visit the Vietnam-Singapore ties will see new steps of development, adding "with its expertise in tourism, Singapore will help Vietnam build master plans for tourist development in Da Lat and Nha Trang, including the eco-tourist destination of Van Phong

In reply, S. Jayakumar said Singapore is not only the largest investor in Vietnam but also its second largest trade partner. He told Prime Minister Kiet that Singapore has always attached importance to the development of its friendly and cooperative relations with Vietnam and will continue to support Vietnam in its efforts for economic growth and broaden cooperation in new areas for the benefits of both countries and the whole region at large.

"Singapore is to build its program of cooperation with Vietnam in the next one or two years with detailed projects aimed at helping Vietnam integrate as soon as

possible to the region and the world as a whole," he said.

He stressed "Singapore is prepared to share with Vietnam experience in the areas where it has strengths such as infrastructure construction, finance, education, training and tourism as well as other sectors Vietnam needs."

The visiting minister also expressed desire for Singapore's support to help Vietnam in organizing international conferences and hosting the ASEAN Summit meeting in 1998.

Also today, S. Jayakumar paid a floral tribute to President Ho Chi Minh at his mausoleum and visited his home and office in Hanoi.

SRV: Relations With Indonesia Reviewed on Anniversary of Ties

*BK1808074496 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 14 Aug 96*

["Essay" by unidentified correspondent "Marking the 32d Anniversary of Vietnam-Indonesian Diplomatic Ties — 15 August"]

[FBIS Translated Text] The friendly ties between Vietnam and Indonesia have been established since 1994. The countries share many similarities. Indonesia has many cultural traits similar to Vietnam's Dong Son culture. The two countries also share the same history of resistance to foreign aggression. Their bilateral relations have achieved specific growth over the past 5 years, notably following the visit to Vietnam by a high-level Indonesian state delegation led by His Excellency President Suharto in November 1990 and the visit to Indonesia of SRV State President Le Duc Anh in April 1994.

The Vietnam-Indonesian friendly relations have served as a mainstay for spurring economic and trade relations between the two countries. As the Indonesian ambassador to Vietnam, his excellency Jafar Arsegar, put it:

[begin Jafar Arsegar recording in English superimposed with Vietnamese translation] We, Indonesia and Vietnam, have a long tradition of friendship, especially in investment relations. Indonesia is the first country to have shown its interest in Vietnam. Since 1996 when Vietnam began its renovation process, we have paid attention to Vietnam; we were in fact the first country to invest in Vietnam. Indonesia then ranked second among the biggest investors in Vietnam. [end recording]

Although with a fine start, Indonesia, which is ASEAN's most-populated country, continues to maintain a relatively modest position in terms of its investment capital in Vietnam.

According to figures provided by the Commission for Cooperation and Investment, by April 1996, Indonesia had had 12 licensed investment projects with a total capital of over \$185 million, thus ranking as the 17th among the countries and territories with investment in Vietnam and the fourth among the ASEAN investors.

The sectors with which Indonesia want to cooperate consist chiefly of light industries and services. But the requirements for joint ventures in these fields in Vietnam are not broad enough. Presently, there are 22 Indonesian companies operating in Vietnam in the areas of banking, agricultural processing, anthracite excavation, and the hotel business.

General speaking, Indonesia is a relatively cautious and scrupulous investor. In the units with Indonesian investment, all activities from production to personnel management are running smoothly. A major project now being deployed by Indonesia in Vietnam is the construction of the Horizon Hotel, a \$50-million joint venture between the Hanoi Toserco and the TT Conglomerate's program for the development of the capitals of various countries. Indonesia's Bakrie conglomerate is also studying a \$300-million joint venture with the Vietnam Post and Telegraph General Department in the field of telecommunications.

It is only in recent years that the Vietnam-Indonesian trade agreement, which was signed in 1987, has produced vigorous development. Vietnam's joining ASEAN was a great opportunity for the two countries to expand their activities. The population of Vietnam and Indonesia, amounting to 72 million and over 190 million respectively, accounts for 60 percent of the total population of the ASEAN bloc. In other words, in various areas of activity, especially in trade, the two countries make up 60 percent of the trade power of the bloc.

Following the first meeting of the Joint Commission for Economic, Scientific, and Technological Cooperation between the two countries in November 1991, the Vietnam-Indonesian trade relations increased considerably. His excellency the ambassador, Jafar Arsegar, said:

[Begin Jafar Arsegar recording superimposed with Vietnamese translation] Bilateral commercial and trade relations have developed rapidly over the years. The gross value of direct imports and exports between the two countries reached \$320 million in 1995 and it is likely to increase to \$400 million per year in future. Although this figure is not that large, I believe that in various aspects, we can further step up the trade relations between the two countries. [end recording]

Indonesia is Vietnam's second largest ASEAN trade partner. The trade balance between the two countries is tipped heavily in favor of Indonesia with the trade surplus reaching nearly \$100 million in 1995. Indonesia's chief exports to Vietnam are fertilizer and chemicals, constituting 34 percent of Indonesia's total exports to Vietnam. Indonesia imports from Vietnam mainly rice and other farm produce. Indonesia and Vietnam have great potential for cooperation in various areas such as the building of Pha Song seaport — designed and built on the turn-key principle — and telecommunications cooperation.

Along with Vietnam's ever-increasing participation in ASEAN and other regional economic bodies, the Vietnam-Indonesian economic cooperation will develop even more vigorously both quantitatively and qualitatively.

SRV: NHAN DAN Marks Aug Revolution Anniversary

BK1908051396 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 18 Aug 96

[19 August NHAN DAN editorial: "Developing the Spirit of the August Revolution, Let's Step Up the Renovation Undertaking"]

[FBIS Translated Text] Every year when the autumn season arrives, our entire party, army, and people's army jubilantly commemorate the August Revolution and the 2 September National Day.

The General Uprising of August 1945 was a revolution of the entire people led by the Communist Party of Vietnam. Some 5,000 party members and a 5,000-strong armed force, which was organized and led by the party, joined the 25 million compatriots nationwide in staging a concerted uprising. Within a little more than a week, the August General Uprising scored a complete victory: overthrowing the 100-year-old colonialist rule and the thousand-years-old feudalism regime. The country was liberated, the people regained their national independence, and an administration from the people and by the people was established on a national scale.

On behalf of the compatriots nationwide, President Ho Chi Minh read the Declaration of Independence on 2 September 1945, giving birth to the Democratic Republic of Vietnam — now known as the Socialist Republic of Vietnam — and affirming before the entire world that Vietnam is a free and independent country, that the Vietnamese people have the right to enjoy freedom and independence and are the masters of their own country.

The success of the August Revolution, which was an important turning point in our nation's history, came as an unprecedented reincarnation for every Vietnamese. The August Revolution brought our nation into the pioneer rank of those nations in the world with the struggle for national independence, democracy, peace, and social progress.

The August Revolution opened up a new era, the era of national independence and socialism in our country.

The success of the August Revolution affirmed the leading role of a communist party which, though only 15 years old, was able to direct the entire people's strength toward the sacred goal of linking national independence with socialism. The thirst of oppressed nations was nurtured under the light of Marxism-Leninism.

Just as President Ho Chi Minh put it: The working class and people of not only Vietnam but also of other countries can feel proud that this was the first time in the revolutionary history of colonial or semi-colonial nations that a 15-year-old party was able to successfully exercise its leadership role and seize national power.

The August General Uprising was the result of patriotism and the indomitable determination, and the strength of all-people unity under the party's clear-sighted leadership. The flexibility and timeliness and the complete success of the 1945 August Revolution proved that our party was very wonderful in seizing the opportunity to organize and mobilize forces in the entire country to successfully build the great national unity bloc. It mobilized the entire people to quickly rise up and brought the administration into the hands of the people when revolutionary opportunities arose.

It can be said the greatest lesson of experience about the August Revolution was the creative and firm leadership of the party. While preparing its forces, the party set forth many effective approaches for seizing opportunities and developing the strength of the all-people great unity bloc. It successfully satisfied its thirst for liberating the country and regaining national independence and freedom in order to build a new, prosperous and happy life for the compatriots.

At present, history is placing before our party and people many heavy duties, major opportunities, and great challenges. After 10 years of implementation of the renovation line initiated and led by our party, those achievements scored by our people in various areas — economic, social, security, national defense, and diplomatic — have generated new stature and strength for our country to develop more vigorously.

Our country's revolution has shifted to a new era — the era of stepped-up national industrialization and

modernization. That is precisely the great opportunity created by our party and people amid the active trend of our time.

The most important tasks for party committee echelons are to struggle and be self-motivated to seize opportunities, develop advantages, overcome difficulties, and overcome challenges in order to continually bring the renovation process forward.

Just as in the General Uprising of August 1945, opportunities and dangers are always intertwined and interacted. At present, our country is also facing many new issues to be solved. We must develop the multisectoral commodity-based economic sector which is market-oriented and operated under the state's management in the direction of socialism. We must also step up national industrialization and modernization to achieve the noble goal of making the people prosperous, the country strong, and society equitable and civilized.

To achieve this aim, our entire party and people must struggle unceasingly, develop to the fullest their determination to achieve self-reliance and self-support, and creatively apply the many lessons of experience learned from the August Revolution for national defense and construction in the new era.

Revolution is the undertaking of the entire people. Led by the party, President Ho Chi Minh once advocated and implemented the all-people great unity strategy to bring the revolution to success. Today, to step up the renovation process, this lesson is of more importance when it comes to continuing to build and consolidate the all-people great unity bloc, mobilize the strength of the people of all strata, both at home and abroad, and to unite with friends from all areas in the world.

Along with ensuring and strengthening the party leadership, the need to build, consolidate, and strengthen the Vietnam Fatherland Front in accordance with the spirit of the resolution of the Eighth Party Congress is a matter of particular importance. Only in that way can we combine and multiply the strength of the nation and that of our time, step up the pace of national development, advance the renovation process steadily forward, and gain still-greater and steadier achievements.

The ideal and spirit of the great August Revolution will forever serve as a source of encouragement for us to move forward.

With the momentum of the recent successful conclusion of the Eighth Party Congress, let every party cadre and member, and every citizen uphold his determination and realistic action in developing advantages, seizing opportunities, overcoming difficulties and ordeals, and exerting efforts to achieve the goals of making the people

prosperous, the country powerful and society equitable and civilized and building socialism successfully just as what Comrade General Secretary Do Muoi said in his speech at the closing of the Eighth Party Congress.

SRV: Thanh Hoa River Embankment Bursts

*BK1708131296 Hanoi VNA in English
0603 GMT 17 Aug 96*

[FBIS Transcribed Text] At least 15,000 people in the coastal province of Thanh Hoa, about 100 km south of Hanoi, were trapped in a flood yesterday afternoon after an embankment burst along the Buoi River.

A small gap developed up the weakened embankment at 0130 PM and later widened to several hundred meters. The entire town of Kim Tan and the villages of Thach Hung and Thach Kim were submerged under about one meter of water. No casualties were reported so far.

More than 1,500 volunteer army personnel were deployed to rescue flood victims. Many families were found clinging to tree tops and house roofs awaiting the rescue boats.

In the early hours yesterday, the fast-rising Buoi River had gushed over its banks in several sections totalling five kilometers in length.

SRV: Damage Caused by Cyclone to Provinces Updated

*BK1808142896 Hanoi Voice of Vietnam in English
1000 GMT 18 Aug 96*

[FBIS Transcribed Text] At least 600 people were missing after a whirlwind slamming to a fleet of fishing boats in Thanh Hoa Province on Wednesday, one of the worse disaster to hit Vietnam in years. Flooding also spread in Thanh Hoa Province, inundating around 60,000 hectares of ricefield and causing damage estimated at \$20 million. The floods disrupted traffic after a dike of the Buoi River busted, inundating several villages [words indistinct].

Some 1,500 volunteer soldiers were deployed to rescue villagers, many of whom were clinging to rooftops or trees waiting for boats to pick them up. At least 15,000 people were affected by the floods.

In Ninh Binh and Nam Ha Provinces, there were also heavy floods following torrential rains on August 14 and 15. In Ninh Binh Province, 33,000 hectares of rice and 39,000 of households in 20 villages in Nho Quan District were flooded. Total flooding in the Red River Delta area has covered 180,000 hectares and damaged more than 2,000 buildings.

Prime Minister Vo Van Kiet has sent a message of condolences to the flood victims in these provinces.

SRV: Lai Chau Floods Kill 12 Persons, Destroy Hundreds of Houses

*BK1908083496 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 19 Aug 96*

[FBIS Translated Text] Correspondents of Lai Chau Province's television and radio stations reported that the province was hit by an unprecedented major flash flood coming from the Da River on 17 August. The town of Muong Lai experienced a flash flood with mud and stones sliding down hillsides and causing heavy damage to various areas.

In the city of Lai Chau, hundreds of houses were submerged in mud and sand; the entire communications and transport system, electric grid, and television and radio stations were heavily damaged. In Muong Lai District, hundreds of houses were buried by mud and stones. As of this morning [19 August], 12 persons had been killed; many were missing; the communications and electric networks destroyed; and thousands of people were homeless. Several hundreds hectares of ricefield in Lai Chau and Muong Lai were inundated. Damage was estimated at tens of billions of dong.

Australia**Australia's Downer: No Decision Made on Uranium Sale to Taiwan***BK1708145696 Sydney THE SYDNEY MORNING HERALD in English 17 Aug 96*

[Report by Foreign Affairs and Defense Correspondent Craig Skehan — received via Internet]

[FBIS Transcribed Text] As antinuclear groups expressed outrage over moves to allow uranium sales to Taiwan, the government maintained that its Labor predecessors had deliberately retained an option to approve such exports.

The nuclear policy branch of the Department of Foreign Affairs and Trade yesterday denied a claim by the Opposition foreign affairs spokesman, Mr Laurie Brereton, that before the March election Labor had decided to "reject" the proposal.

The Opposition denied the government's charge of hypocrisy and pointed to China's concern over the planned sales.

The Minister for Foreign Affairs, Mr Downer, said no final decision had been taken. The government was "exploring conditions" under which Australian uranium companies could sell to Taiwan consistent with stringent safeguards on non-weapons use, maintaining international obligations and Australia's policy of not affording Taiwan diplomatic recognition.

"Mr Brereton has tried to make a cheap and hypocritical party political point without any concern for the national interest," Mr Downer said.

Melbourne's THE AGE newspaper had reported that Mr Downer told Australian officials he was "very positive" about the Taiwan sales.

Mr Brereton said the move raised serious concerns about the government's commitment to safeguards as well as the "spirit and the letter" of the South Pacific Nuclear Free Zone Treaty. This bans parties from selling uranium to nations that have not signed the Nuclear Non-Proliferation Treaty (NPT) and agreed to so-called "fullscope" safeguards with the International Atomic Energy Agency (IAEA).

"It's a matter of public record that we investigated the issue and, following careful consideration, rejected it as a retrograde departure from Australia's policy of requiring the strictest possible legally binding nuclear safeguards," Mr Brereton said. "The government must immediately abandon this secret plan."

An official of the South Pacific Forum, which links island nations with Australia and New Zealand, said

members would be concerned if there were uranium sales to Taiwan in breach of the treaty. The proposal could embarrass the prime minister, who is to attend the forum's annual meeting in the Marshall Islands next month.

A representative of the Australian uranium producer Energy Resources Australia said yesterday that the company believed the Keating government had not ruled out uranium sales to Taiwan.

The Australian Democrats said such exports would be an "appalling and foolish decision" and it took only a few months for a country with nuclear power capacity to develop weapons.

Senator Bob Brown, of the Australian Greens, said the would-be buyer, Taipower, was involved in a proposal to dump nuclear power station waste on an atoll of the Marshall Islands.

Australia's two main uranium miners had told Taipower in recent months that they were determining whether it was possible to export uranium to Taiwan, a senior Taipower official said.

The chief of its nuclear section, Mr George Hsu, said in a telephone interview that it would welcome any move by the Australian Government to free up uranium exports.

He named the two companies as Energy Resources of Australia Ltd and Western Mining Corporation.

Australia: Howard Lauds Vietnam Vets, Notes Improved Ties With Hanoi*BK1808124096 (Internet) Australian Broadcasting Corporation Online WWW in English 0654 GMT 18 Aug 96*

[FBIS Transcribed Text] Prime Minister, John Howard, says Vietnam Veteran's Day is an occasion to remember and honour all Australians who died in the war and thank those others who served in the conflict.

He says their courageous service is remembered with pride and gratitude.

Mr Howard also noted Deputy Prime Minister, Tim Fischer, is in Vietnam with a group of veterans at a commemoration ceremony at Nui Dat.

The prime minister says the ceremony takes place at a time of growing trust and friendship between Australia and Vietnam and both countries look to the future with a genuine desire for closer relations.

Australia: Editorial Views 'Potentials' of Canberra Commission

BK1808073296 Sydney *THE SYDNEY MORNING HERALD* in English 17 Aug 96

[Editorial: "To Eliminate N-Weapons" — received via Internet]

[FBIS Transcribed Text] Attempts to reduce the threat from nuclear weapons are not new. But attitudes to the problem need to change. The bilateral agreements under the Strategic Arms Limitation Talks, for example, have produced practical, measurable results in terms of reducing the number of US and Russian nuclear warheads. But such success as this not only emphasises how much further there is to go before the world can begin to feel it has the threat of nuclear conflict, whether by war or terrorist activity, under control. It also makes many people think that what is achievable is very limited.

Unlikely though it might seem to many Australians, the Canberra Commission has the potential to assist greatly in the multi-pronged attack required to eliminate the threat of nuclear conflict. When the previous Federal Government announced the commission's formation late last year, the then foreign minister, Senator Evans, spoke enthusiastically of "changing the whole debate and making the world appreciate not only the desirability of getting to zero but also the achievability of it". That vision goes beyond such limited goals — however important they have been — as banning nuclear testing. Added to that vision, Australia has something practical to offer in this area. It has, for example, diplomatic expertise and experience in the international efforts towards establishing international controls on chemical weapons.

The Canberra Commission has drawn together an eminent group of 17, drawn from many different countries and fields of expertise. The 120-page report given to the prime minister this week by the Australian ambassador to the United Nations, Mr Richard Butler, might seem to some to be hopelessly optimistic in its delineation of the steps required to remove the threat of nuclear conflict. Many people, after living through the Cold War in the shadow of nuclear disaster, cannot quite believe, even though the worst threat has passed, that there can ever be anything approaching full nuclear disarmament or a complete system of safeguards.

The Canberra Commission does well to confront this defeatism. The kind of incremental diplomacy underlying the commission's approach is the only way to change matters. The suggested starting point — an unequivocal commitment by the five declared nuclear powers to the

elimination of nuclear weapons — might seem hopelessly unrealistic. But it is not, once it is spelt out in detail. The required steps are achievable — taking nuclear forces off alert, removing warheads from delivery vehicles, ending the deployment of non-strategic nuclear weapons and stopping testing.

The long struggle to end nuclear testing, however discouraging, cannot be allowed to destroy hope that even more can be achieved. Most important, the negotiation of a Comprehensive Test Ban Treaty has provided valuable experience on most matters — including, crucially, verification procedures — which might stand in the way of agreement on the wider questions of nuclear disarmament. However lukewarm the Coalition might have been to the idea before the election, it should now do all it can to help the Canberra Commission fulfill its purpose. Mr Howard should take the report himself to the United Nations. And, as the Opposition Foreign Affairs spokesman, Mr Brereton, has urged, Mr Howard should also mount a sustained follow-through in all international forums and in direct bilateral negotiations with the five nuclear-weapons states and the three threshold states, India, Pakistan and Israel. This follow-through must be a truly Australian effort, above party politics.

New Zealand

New Zealand: Comments on Burma Issue at ARF in Jakarta

BK1808063696 Christchurch *THE PRESS* in English 15 Aug 96

[Report by Stuart McMillan — received via Internet]

[FBIS Transcribed Text] Burma always had the potential to be the cause of an almighty row at the third meeting of the ASEAN Regional Forum (ARF) held in Jakarta in July. Burma's entry into the security forum, which groups some Western countries, including New Zealand, and East Asian countries, had been proposed but Burma, or Myanmar as it is now officially known, is being criticised internationally — and with considerable justification — on a host of issues, most of them connected to human rights.

The issue had practically every element of great sensitivity in South-East Asia. Human rights themselves and what is meant by human rights are a core issue. Democracy versus authoritarianism has been thrown into sharp relief by the high profile pro-democracy Burmese leader and Nobel Prize winner, Aung San Suu Kyi, whose party won an election in 1990 but was not allowed to take office. She was released last year from house arrest but it is far from clear how much freedom she actually has.

The Burma issue also had the Asian values versus Western values dimension, with all the talk about what sort of government is best suited to Asians and about community values and rights as opposed to the values and rights of the individual.

In addition, Burma's behaviour raised questions about whether a nation's internal politics should be the concern of the forum, the purpose of which is to discuss security issues in East Asia. For Western countries this brought echoes of Cambodia, where Pol Pot's ravages were once close to being tolerated in ASEAN because it was argued he was at least not threatening neighbouring countries.

The issue had the potential to split the forum, ASEAN being set against the rest. This would have been a disaster for a body still only three years old. The forum in July consisted of 19 members: the ASEAN members — Thailand, Malaysia, Singapore, Indonesia, the Philippines, Brunei, and Vietnam — and the United States, Canada, Japan, Laos, Russia, New Zealand, Australia, Papua New Guinea, China, South Korea, Cambodia, and the European Union.

It was established to discuss security issues at a government level and is the only such organisation in the Asia-Pacific region. Its first meeting in Bangkok lasted for two hours. Last year's meeting in Bandar Seri Begawan, Brunei, lasted a full day. The meeting in Jakarta in July also lasted a full day. All the more time for discussion to take hold.

In the latest meeting, Burma's behaviour and human-rights record were raised at the dinner that preceded the day of talks. Don McKinnon, the New Zealand minister of foreign affairs, strongly advocated that Burma be put on the menu. Neither Burma itself, nor another proposed member, India, was present at the dinner.

Burma came in for considerable criticism in talk over the dinner table. Those present decided to convey the depth of their concern to Burma's representative at the meeting, the foreign minister, Ohn Gyaw. It was not the last he was to hear of the matter. Both in public and in private he heard a great deal about how Burma was regarded and about Burma's treatment of Aung San Suu Kyi, whom Ohn Gyaw kept referring to as Mrs Aris, her married name. The use of her married name was clearly intended to draw attention to the fact that she is married to an English academic, and to take emphasis away from the fact that not only is she Burmese but she is also the daughter of the revered Burmese leader, Aung San. Since the conference Ohn Gyaw has said that "Mrs Aris" would not play a part in a constitutional convention.

He also heard a considerable amount about James Nichols, who had been consul in Rangoon for a number of European countries and who died earlier this year after several years in a Rangoon jail. The official Burmese explanation is that he died because he ate fatty food — an explanation that is not universally accepted but one which Ohn Gyaw stuck to.

In the end it was the ASEAN approach of "constructive engagement" that carried the day and the forum admitted Burma as a member. The decision did not split the forum. Nor was it just a case of the ASEAN countries getting their own way while all the other member countries held their tongues in order not to offend them.

The forum members had to tackle the question of what was the alternative to "constructive engagement"? Not many levers were available to use on Burma. A promise of economic linkages would not have been compelling. The grip on power of the State Law and Order Restoration Council (SLORC, as it is known — the ruling military clique in Burma) is strong enough that it feels no need to legitimise its rule through improving the living standards of the people.

There was a possibility that the SLORC would turn inwards. Burma had imposed isolation on itself from 1962. The SLORC has thrown it open to foreign investment and free trade but there was always the risk the country would again cut itself off as much as it could. The fact that it wanted to be in the regional forum at all was taken as an indication that it was willing to engage itself with the outside world even if that meant exposing itself to international criticism.

It probably got more than it bargained for. Several countries criticised Burma in public. New Zealand did not, although the session between Mr McKinnon and Ohn Gyaw with SLORC military officials sitting in the room was reported to be frank, for which read uncompromising and heated. The New Zealand decision to make the protest in private rather than in public was a deliberate one, made in the belief that it was more likely to be effective than a public shaming.

Ohn Gyaw said that Burma was being returned to civilian rule and that an election would be held. A number of people throughout the world will track the progress to that state of affairs with considerable interest. International pressure on Burma is likely to continue and there was no strong suggestion at the forum that the pressure should be eased.

The SLORC members at the forum were clearly not used to having to face such criticism and the experience would have been sobering for them. Whether they will want to retreat a little and lick their wounds before

making another foray on to international ground remains to be seen.

The forum also admitted India. Here the issues were different and were concerned with security, criteria for membership, and focus. The forum's area of concern has hitherto been East Asia. The risk in admitting India was that this would bring with it the problems of the sub-continent: India-Pakistan relations and possibly India's relations with other countries. That might overwhelm the forum, which is still feeling its way.

The strains between India and Pakistan are so palpable that the forum might be importing a constant state of crisis. This could easily lead to the focus being lost on a region in which the forum has at least a chance of influencing events. The admission of India would also bring the risk of Pakistan demanding entry as well.

The risks were even higher than they might have been with any other country because the Indian diplomatic style is often highly articulate and highly activist.

In the chairman's statement made at the end of the meeting, the guiding principle was enunciated that "any new participant must subscribe to and work co-operatively to help achieve the ARF's key goals... the main challenge of the ARF is to sustain and enhance the unprecedented period of peace and prosperity now enjoyed in the Asia-Pacific region".

A second guiding principle includes a reference to "an implicit consensus among ARF participants that this 'geographical footprint' will cover all of East Asia, both North-east and South-east Asia, as well as Oceania. In the short term it would not be wise to expand this geographical scope for the key ARF activities."

Maybe that will rule out the sub-continent's problems being dragged in. If this wording seems to be a bit cautious, I have to confess to a certain curiosity about whether India will be able to live within its self-denying ordinances.

The forum, with the exception of India, expressed the hope that there would be an early conclusion of a treaty to ban all nuclear testing. As is the practice in such meetings, the chairman's statement was circulated before it was released. New Zealand played a role here. It asked that its own wording on nuclear issues be adopted rather than the draft presented. This was done.

When the regional forum's accomplishments are listed perhaps the attitude of the third meeting towards nuclear testing will weigh heavily but it was unmistakably the year of Burma.

Papua New Guinea

Papua New Guinea: Commander Denies Use of Phosphorous Bombs

BK1608035096 Sydney THE SYDNEY MORNING HERALD in English 16 Aug 96

[Report by Greg Roberts — received via Internet]

[FBIS Transcribed Text] In a new round of fighting on Bougainville, five members of the separatist Bougainville Revolutionary Army (BRA) have been killed by Papua New Guinea (PNG) troops.

Among the dead are Mr. Justine Koike, a leading BRA strategist and commander of the rebel company in central Bougainville.

The men were killed on Tuesday in a gun battle near the village of Manutei, north of the former provincial capital of Arawa.

The chief of the PNG Defence Force, Brigadier General Jerry Singirok, said the rebel casualties included Jeffrey Pokio, who last month killed a soldier and a member of the pro-PNG resistance militia when he threw a grenade into a bunker near Manutei.

General Singirok said weapons retrieved from the dead rebels included a factory-made shotgun, a .22 rifle, a self-loading rifle and a hand grenade.

Meanwhile, the BRA claimed soldiers had fired phosphorus bombs from Australian-supplied Iroquois helicopters.

The rebels say the bombs were fired at several villages in central and southern Bougainville last week. They claimed chickens and livestock had died from the "chemical warfare attacks" and that many villagers were complaining of nausea, headaches and other illnesses.

General Singirok denied the claim. "It is not true," he said on Port Moresby radio.

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